

SHRADER WILLIAM G
Form 4
June 30, 2006

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
SHRADER WILLIAM G

2. Issuer Name and Ticker or Trading Symbol
MAIN STREET RESTAURANT GROUP, INC. [MAIN]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
5050 N. 40TH STREET, SUITE 200
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
06/28/2006

Director 10% Owner
 Officer (give title below) Other (specify below)
President and COO

PHOENIX, AZ 85018

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | | (A) or (D) | Price | | |
| | | | Code | V | Amount | (D) | |
| Common Stock | 06/28/2006 | | U | | 67,179 | D | |
| | | | | | \$ 6.4 | | |
| | | | | | 0 | | D |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | | | |
|--|--|--------------------------------------|--|--------------------------------|---|--|-----|---|-----------------|--------------|----------------------|
| | | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount Number Shares |
| Employee Stock Option (Right to Buy) | \$ 3.438 | 06/30/2006 | | D | | 150,000 | | <u>(1)</u> | 03/01/2009 | Common Stock | 150,000 |
| Employee Stock Option (Right to Buy) | \$ 3.3125 | 06/30/2006 | | D | | 50,000 | | <u>(1)</u> | 06/11/2009 | Common Stock | 50,000 |
| Employee Stock Option (Right to Buy) | \$ 3.1875 | 06/30/2006 | | D | | 75,000 | | <u>(1)</u> | 12/27/2009 | Common Stock | 75,000 |
| Employee Stock Option (Right to Buy) | \$ 3.1875 | 06/30/2006 | | D | | 50,000 | | <u>(1)</u> | 12/27/2009 | Common Stock | 50,000 |
| Employee Stock Option (Right to Buy) | \$ 3.375 | 06/30/2006 | | D | | 50,000 | | <u>(1)</u> | 06/23/2010 | Common Stock | 50,000 |
| Employee Stock Option (Right to Buy) | \$ 3.65 | 06/30/2006 | | D | | 50,000 | | <u>(1)</u> | 06/01/2011 | Common Stock | 50,000 |
| Employee Stock Option (Right to Buy) | \$ 4.94 | 06/30/2006 | | D | | 50,000 | | <u>(1)</u> | 12/31/2011 | Common Stock | 50,000 |
| Employee Stock Option | \$ 4.16 | 06/30/2006 | | D | | 50,000 | | <u>(1)</u> | 07/23/2012 | Common Stock | 50,000 |

| | | | | | | | | | |
|--------------------------------------|------------|------------|---|---------|------------|------------|--------------|---------|--|
| (Right to Buy) | | | | | | | | | |
| Employee Stock Option (Right to Buy) | \$ 2.17 | 06/30/2006 | D | 50,000 | <u>(1)</u> | 06/17/2013 | Common Stock | 50,000 | |
| Employee Stock Option (Right to Buy) | \$ 2.15 | 06/30/2006 | D | 100,000 | <u>(1)</u> | 11/19/2013 | Common Stock | 100,000 | |
| Employee Stock Option (Right to Buy) | \$ 5.57 | 06/30/2006 | D | 100,000 | <u>(1)</u> | 09/16/2015 | Common Stock | 100,000 | |
| Restricted Stock Units | <u>(2)</u> | 06/30/2006 | D | 25,000 | <u>(2)</u> | 12/31/2011 | Common Stock | 25,000 | |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|-------------------|-------|
| | Director | 10% Owner | Officer | Other |
| SHRADER WILLIAM G 5050 N. 40TH STREET, SUITE 200 PHOENIX, AZ 85018 | X | | President and COO | |

Signatures

Michael J. Herron, as attorney-in-fact 06/30/2006

__Signature of Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

This option was cancelled in connection with the merger (the "Merger") of Main Street Acquisition Corporation with and into Main Street Restaurant Group, Inc. (the "Company") in exchange for a cash payment per share, whether vested or unvested, representing the difference between the exercise price of the option and the tender offer price of \$6.40, as set forth in the Agreement and Plan of Merger dated as of May 19, 2006 (the "Merger Agreement") by and among the Company, Main Street Acquisition Corporation, and Briad Main Street, Inc.

The restricted stock units are exercisable 1-for-1. In connection with the Merger, the vesting of shares subject to the restricted stock units was accelerated and the reporting person received a cash payment of \$6.40 per share instead of shares of Company common stock subject to the restricted stock units.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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