

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C.

FORM S-8

REGISTRATION STATEMENT

under

THE SECURITIES ACT OF 1933

NATHAN'S FAMOUS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

11-3166443
(I.R.S. Employer Identification No.)

1400 Old Country Road, Westbury, New York
(Address of principal executive offices)

11590
(Zip Code)

NATHAN'S FAMOUS, INC. 2001 STOCK OPTION PLAN
(Full Title of the Plan)

Wayne Norbitz, President
Nathan's Famous, Inc.
1400 Old Country Road
Westbury, New York 11590
(Name and address of agent for service)

(516) 338-8500
(Telephone number, including area code, of agent for service)

copy to:
Nancy D. Lieberman, Esq.
Blau, Kramer, Wactlar & Lieberman, P.C.
100 Jericho Quadrangle
Jericho, New York 11753
(516) 822-4820

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities To be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Security (1)	Proposed Maximum Aggregate Offering Price (1)	Amount of Registration Fee
Common Stock, par value \$.01 per share together with the associated common stock purchase rights	350,000 shs.(2)	\$3.62	\$1,267,000	\$302.81

(1) Estimated solely for the purpose of calculating the registration fee, based upon the average of the high and low prices of the Company's Common Stock on the NASDAQ National Market System on February 6, 2002.

(2) This Registration Statement also covers an indeterminate number of additional shares of Common Stock which may become issuable pursuant to anti-dilution and adjustment provisions of the Plan.

NATHAN'S FAMOUS, INC.

SUMMARY OF NATHAN'S FAMOUS, INC.
2001 STOCK OPTION PLAN

In June 2001, in order to attract and retain persons necessary for the success of Nathan's, its board of directors adopted the Nathan's Famous, Inc. 2001 Stock Option Plan. The plan was approved by stockholders on September 14,

2001. The plan covers up to 350,000 shares of common stock, pursuant to which directors, officers and employees of, and consultants to, Nathan's and its subsidiaries and affiliates, are eligible to receive non-qualified stock options. Shares of common stock issued upon the exercise of options granted pursuant to the plan will generally be from Nathans' authorized but unissued shares or treasury shares. The plan, which expires on June 13, 2011, will be administered by Nathans' board of directors or a committee designated by the board of directors consisting of two or more members of the board, all of whom shall be "non-employee" directors, as defined under Rule 16-b of the Securities Exchange Act of 1934, as amended. Members of the committee which administers the plan may be removed or replaced at any time by the board of directors. The selection of participants, allotments of shares, determination of price and other conditions relating to options will be determined by the board of directors, or the committee, in its sole discretion, subject to the limitations of the plan.

The plan may be amended, suspended or terminated by the board of directors or the committee.

Stock options granted under the plan are exercisable for a period of up to ten years from the date of grant at an exercise price equal to the fair market value of the Common Stock on the date of the grant.

Options granted pursuant to the plan may not be sold, pledged, hypothecated, transferred or disposed of in any manner other than by will or by the laws of descent or distribution, or as may be permitted by the board or the committee.

If any optionee ceases to serve as an employee of, or consultant to, Nathan's or any parent, subsidiary or affiliate company, he may, but only within three (3) months after the date he ceases to be employed, exercise his option to the extent that it was exercisable as of the date of such termination. Upon termination of employment or provision of services due to total disability, the optionee has a one year period to exercise his option to the extent it was exercisable as of the date of such termination. To the extent that an optionee was not entitled to exercise an option at the date of termination, or he does not exercise the option (which he was entitled to exercise) within the time specified therein, the option terminates. Notwithstanding the foregoing, in the event of the death of an optionee (1) while an employee or providing services, or (2) within three (3) months after termination of all employment or provision of services (other than for total disability) or (3) within one (1) year after termination on account of total disability of all employment or provision of services, the optionee's estate or any person who acquires the right to exercise the option by bequest or inheritance or by reason of the death of the optionee may exercise such optionee's option at any time within the two (2) year period from the date of death. In the case of clauses (1) and (3) above, the option shall be exercisable in full for all the remaining shares covered thereby, but in the case of clause (2), the option shall be exercisable only to the extent it was exercisable on the date of such termination of employment or service. In no case is an option exercisable after its expiration date.

In the event of a change in control (as defined in the plan) of Nathan's, at the option of the board or the committee, (a) all options outstanding on the date of the change in control shall become immediately and fully exercisable, and (b) an optionee will be permitted to surrender for cancellation any option or portion of an option which was granted more than six (6) months prior to the date of such surrender, to the extent not yet exercised, and to receive a cash payment in an amount equal to the excess, if any, of the fair market value (as defined in the plan), on the date of surrender, of the shares of common stock subject to the option or portion thereof surrendered, over the aggregate purchase price for such shares.

Nathans' reports and registration statements filed with the Securities and Exchange Commission pursuant to the provisions of the Securities Exchange Act of 1934 are incorporated by reference herein and these documents, as well as Nathans' annual report to shareholders, its latest prospectus filed pursuant to Rule 424(b) under the Securities Act of 1933, as amended, and additional information about the plan and its administration, are available upon written or oral request from the Treasurer of Nathan's, at its offices at 1400 Old Country Road, Westbury, New York 11590, (516) 338- 8500. Nathan's does not intend to furnish any reports to participants as to the amount and status of their options under the plan.

FEDERAL INCOME TAX CONSEQUENCES

The following is a brief summary of the Federal income tax consequences as of the date hereof with respect to options exercised with cash or common stock or a combination of cash and common stock. This description of the Federal income tax consequences is based upon law and Treasury interpretations in effect on the date of this prospectus (including proposed and temporary regulations which may be changed when finalized), and it should be understood that this summary is not exhaustive, that the law may change, and further that special rules may apply with respect to situations not specifically discussed herein. Careful attention should also be given to state and local tax consequences. As such, optionees are urged to consult with their own qualified tax advisors.

Exercise of Non-Qualified Options with Cash

No taxable income will be realized by the optionee upon the grant of a non-qualified option. On exercise, the excess of the fair market value of the stock at the time of exercise over the option price of such stock will be compensation and (i) will be taxable at ordinary income tax rates in the year of exercise, (ii) will be subject to withholding for Federal income tax purposes, and (iii) generally will be an allowable income tax deduction to Nathan's. The optionee's tax basis for stock acquired upon exercise of a non-qualified option will be equal to the option price paid for the stock plus any amounts included in income as compensation. Upon the sale of shares acquired pursuant to exercise of a non-qualified option, the optionee will have long-term or short-term capital gain or loss depending on the holding period.

If the optionee is subject to restrictions under Section 16(b) of the Exchange Act at exercise, (i) he will not be taxed at the time of exercise, and will instead be taxed when the Section 16(b) restrictions lapse (which is deemed under Treasury regulations to be six months after the date of issuance of the shares), based on the excess (if any) at that time or, if earlier, at the time of the sale of such shares, of the fair market value of the shares received over the option price, and (ii) the holding period for purposes of determining entitlement to long-term or short-term capital gain or loss, as the case may be, will commence on the earlier of the date of sale of such shares or the date that the Section 16(b) restrictions lapse. However, such an optionee may elect under Section 83(b) of the Internal Revenue Code of 1986, as amended, to be taxed at the time of exercise of the option, based on the excess (if any) at the time of exercise of the fair market value of the shares received over the option price, in which event the holding period will commence on the date of transfer. Optionees who are subject to Section 16(b) restrictions should consult a qualified tax advisor regarding the advisability of a Section 83(b) election, which must be made within 30 days following the exercise of the shares.

Exercise of Non-Qualified Options with Common Stock

Based on a 1980 Revenue Ruling, if shares previously acquired other than upon exercise of an incentive stock option are surrendered in full or partial payment of the exercise price of a non-qualified option, then no gain or loss will be recognized by the optionee, on the date of exercise, for the shares which have an aggregate fair market value equal to the aggregate fair market value of the shares surrendered. These shares received are called replacement shares. The optionee will have a basis in the replacement shares equal to the basis of the shares surrendered, and the optionee's holding period (for purposes of determining entitlement to short-term or long-term capital gain or loss treatment on a subsequent disposition of the Replacement Shares) will generally include the period during which the surrendered shares were held.

In the event that the optionee receives any additional shares in addition to the replacement shares on such exercise, then (i) the excess of the fair market value of all of the shares received over the sum of the fair market value of the shares surrendered plus any cash payments made by the optionee on the exercise of the option will be treated as compensation taxable as ordinary income (and subject to withholding), (ii) the optionee's basis in the additional shares will be equal to the sum of the amount taxed as ordinary income on exercise plus the amount of any cash payments made on exercise, and (iii) the holding period for the additional shares (for purposes of determining entitlement to long-term or short-term capital gain or loss treatment on a subsequent disposition of the additional shares) will begin when such additional shares are issued to the optionee.

In the absence of new published rulings to the contrary, it would appear that rules similar to those that apply under the 1980 Revenue Ruling would apply to the exercise of a non-qualified option using shares previously acquired by exercising an incentive stock option. Based on the 1980 Revenue Ruling, the exercise of a non-qualified option using shares previously acquired by exercising an incentive stock option would not result in a "disqualifying disposition" of such shares.

Information Reporting

Pursuant to applicable tax regulations, Nathan's will provide to each optionee and to the appropriate tax authorities information regarding the exercises of non-qualified options on Form W-2 or 1099.

RESTRICTION ON REOFFERS OR RESALES OF COMMON STOCK ACQUIRED PURSUANT TO THE PLAN

Participants in the plan who receive shares of common stock pursuant to the exercise of options may from time to time sell all or a part of such common stock. In some instances, there may be restrictions on the amount and manner of such sales by reason of pertinent provisions of the securities laws and the rules thereunder. Optionees should consult with legal counsel about the securities law implications of the exercise of options and the acquisition or disposition of shares of common stock under the plan.

Pursuant to Section 16(b) of the Exchange Act, if an optionee, while an officer, director or ten percent (10%) stockholder of Nathan's, (i) acquires any equity security of Nathan's (other than shares of common stock acquired under the plan or another stock option plan of Nathan's if the exercise price of the option pursuant to which such shares of common stock were acquired does not exceed the fair market value thereof at the time of exercise), and (ii) within six months before or after such acquisition sells any equity security of Nathan's, including common stock acquired under the plan, then such optionee will be required to repay to Nathan's any profit attributable to the two transactions.

In the event of any inconsistency between this summary and the plan, the terms of the plan shall govern.

This document constitutes part of a prospectus covering securities that have been registered under the Securities Act of 1933.

PART II

INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

Item 3. Incorporation of Documents by Reference.

The Registrant hereby incorporates by reference into this Registration Statement the documents listed in (a) and (b) below:

- (a) The Registrant's Annual Report on Form 10-K for the fiscal year ended March 25, 2001;
- (b) The Registrant's Quarterly Report on Form 10-Q for the fiscal quarters ended June 24, 2001, September 23, 2001 and December 23, 2001; and
- (c) The description of the class of securities to be offered which is contained in a registration statement filed under Section 12 of the Securities Exchange Act of 1934 (File No. 0-3189) including any amendment or report filed for the purpose of updating such description.

All documents subsequently filed by the Registrant pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Securities Exchange Act of 1934, prior to the filing of a post-effective amendment which indicates that all securities offered have been sold or which indicates that all securities offered have been sold or which deregisters all such securities then remaining unsold, shall be deemed to be incorporated by reference in this Registration Statement and to be a part hereof from the date of filing of such documents.

Item 4. Description of Securities.

Not applicable.

Item 5. Interests of Named Experts and Counsel.

Not applicable.

Item 6. Indemnification of Directors and Officers.

Under the provisions of the Certificate of Incorporation and By-Laws of Registrant, each person who is or was a director or officer of Registrant shall be indemnified by Registrant as of right to the full extent permitted or authorized by the General Corporation Law of Delaware.

Under such law, to the extent that such person is successful on the merits of defense of a suit or proceeding brought against him by reason of the fact that he is a director or officer of Registrant, he shall be indemnified against expenses (including attorneys' fees) reasonably incurred in connection with such action.

If unsuccessful in defense of a third-party civil suit or a criminal suit is settled, such a person shall be indemnified under such law against both (1) expenses (including attorneys' fees) and (2) judgments, fines and amounts paid in settlement if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of Registrant, and with respect to any criminal action, had no reasonable cause to believe his conduct was unlawful.

If unsuccessful in defense of a suit brought by or in the right of Registrant, or if such suit is settled, such a person shall be indemnified under such law only against expenses (including attorneys' fees) incurred in the defense or settlement of such suit if he acted in good faith and in a manner he

reasonably believed to be in, or not opposed to, the best interests of Registrant except that if such a person is adjudicated to be liable in such suit for negligence or misconduct in the performance of his duty to Registrant, he cannot be made whole even for expenses unless the court determines that he is fairly and reasonably entitled to be indemnified for such expenses.

The officers and directors of the Company are covered by officers' and directors' liability insurance. The policy coverage is \$7,500,000 which includes reimbursement for costs and fees. There is a maximum aggregate deductible for each loss under the policy of \$250,000. The Company has entered into Indemnification Agreements with certain of its officers and directors. The Agreements provide for reimbursement for all direct and indirect costs of any type or nature whatsoever (including attorneys' fees and related disbursements) actually and reasonably incurred in connection with either the investigation, defense or appeal of a Proceeding, as defined, including amounts paid in settlement by or on behalf of an indemnitee.

Item 8. Exhibits.

- 4.1 2001 Stock Option Plan
- 5 Option and consent of Blau, Kramer, Wactlar & Lieberman, P.C.
- 23.1 Consent of Blau, Kramer, Wactlar & Lieberman, P.C. - included in their opinion filed as Exhibit 5.
- 23.2 Consent of Arthur Andersen LLP
- 24 Powers of Attorney - included in signature page hereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all requirements for filing on Form S-8 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Westbury, New York on the 14th day of February, 2002.

NATHAN'S FAMOUS, INC.

By: /s/Wayne Norbitz

Wayne Norbitz
President and Chief Operating Officer

POWER OF ATTORNEY

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed on February 14, 2002 by the following persons in the capacities indicated. Each person whose signature appears below constitutes and appoints Wayne Norbitz and Ronald G. DeVos, and each of them acting individually, with full power of substitution, our true and lawful attorneys-in-fact and agents to do any and all acts and things in our name and on our behalf in our capacities indicated below which they or either of them may deem necessary or advisable to enable Nathan's Famous, Inc. to comply with the Securities Act of 1933, as amended, and any rules, regulations and requirements of the Securities and Exchange Commission, in connection with this Registration Statement including specifically, but not limited to, power and authority to sign for us or any of us in our names in the capacities stated below, any and all amendments (including post-effective amendments) thereto, granting unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in such connection, as fully to all intents and purposes as we might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or his substitute or substitutes, may lawfully do or cause to be done by virtue thereof.

Signature -----	Title -----
/s/ Howard M. Lorber Howard M. Lorber	Chairman of the Board and Chief Executive Officer
/s/ Wayne Norbitz Wayne Norbitz	President, Chief Operating Officer and Director (Principal Executive Officer)
/s/ Ronald G. DeVos Ronald G. DeVos	Vice President - Finance Chief Financial Officer and Secretary (Principal Financial and Accounting Officer)
/s/ Robert J. Eide Robert J. Eide	Director
/s/ Brian S. Genson Brian S. Genson	Director
/s/ Donald Perlyn Donald Perlyn	Director
/s/ A. F. Petrocelli Attilio F. Petrocelli	Director
/s/ Barry Leistner Barry Leistner	Director

Nathan's Famous, Inc.
2001 Stock Option Plan

SECTION 1. GENERAL PROVISIONS

1.2 Name and General Purpose

The name of this plan is the Nathan's Famous, Inc. 2001 Stock Option Plan (hereinafter called the "Plan"). The Plan is intended to be a broadly-based incentive plan which enables Nathan's Famous, Inc. (the "Company") and its subsidiaries and affiliates to foster and promote the interests of the Company by attracting and retaining officers, directors and employees of, and consultants to, the Company who contribute to the Company's success by their ability, ingenuity and industry, to enable such officers, directors, employees and consultants to participate in the long-term success and growth of the Company by giving them a proprietary interest in the Company and to provide incentive compensation opportunities competitive with those of competing corporations.

1.2 Definitions

- a. "Affiliate" means any person or entity controlled by or under common control with the Company, by virtue of the ownership of voting securities, by contract or otherwise.
- b. "Board" means the Board of Directors of the Company.
- c. "Change in Control" means a change of control of the Company, or in any person directly or indirectly controlling the Company, which shall mean:
 - (a) a change in control as such term is presently defined in Regulation 240.12b-(2) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"); or
 - (b) if any "person" (as such term is used in Section 13(d) and 14(d) of the Exchange Act) other than the Company or any "person" who on the date of this Agreement is a director or officer of the Company, becomes the "beneficial owner" (as defined in Rule 13(d)-3 under the Exchange Act) directly or indirectly, of securities of the Company representing twenty percent (20%) or more of the voting power of the Company's then outstanding securities; or
 - (c) if during any period of two (2) consecutive years during the term of this Plan, individuals who at the beginning of such period constitute the Board of Directors, cease for any reason to constitute at least a majority thereof.
- d. "Committee" means the Committee referred to in Section 1.3 of the Plan.
- e. "Common Stock" means shares of the Common Stock, par value \$.01 per share, of the Company.
- f. "Company" means Nathan's Famous, Inc., a corporation organized under the laws of the State of Delaware (or any successor corporation).
- g. "Fair Market Value" means the market price of the Common Stock on the Nasdaq Stock Market on the on the date of the grant or on any other date on which the Common Stock is to be valued hereunder. If no sale shall have been reported on the Nasdaq Stock Market on such date, Fair Market Value shall be determined by the Committee.
- h. "Non-Employee Director" shall have the meaning set forth in Rule 16(b) promulgated by the Securities and Exchange Commission ("Commission"), or any successor provision.
- i. "Option" means any option to purchase Common Stock under Section 2 of the Plan.
- j. "Option Agreement" means the option agreement described in Section 2.4 of the Plan.
- k. "Participant" means any officer, director, employee or consultant of

the Company, a Subsidiary or an Affiliate who is selected by the Committee to participate in the Plan.

1. "Subsidiary" means any corporation in which the Company possesses directly or indirectly 50% or more of the combined voting power of all classes of stock of such corporation.
- m. "Total Disability" means accidental bodily injury or sickness which wholly and continuously disabled an optionee. The Committee, whose decisions shall be final, shall make a determination of Total Disability.

1.3 Administration of the Plan

The Plan shall be administered by the Board or by the Committee appointed by the Board consisting of two or more members of the Board all of whom shall be Non-Employee Directors. The Committee shall serve at the pleasure of the Board and shall have such powers as the Board may, from time to time, confer upon it.

Subject to this Section 1.3, the Committee shall have sole and complete authority to adopt, alter, amend or revoke such administrative rules, guidelines and practices governing the operation of the Plan as it shall, from time to time, deem advisable, and to interpret the terms and provisions of the Plan.

The Committee shall keep minutes of its meetings and of action taken by it without a meeting. A majority of the Committee shall constitute a quorum, and the acts of a majority of the members present at any meeting at which a quorum is present, or acts approved in writing by all of the members of the Committee without a meeting, shall constitute the acts of the Committee.

1.4 Eligibility

Stock Options may be granted only to officers, directors, employees or consultants of the Company or a Subsidiary or Affiliate. All employees are eligible to receive Stock Options under the Plan. Any person who has been granted any Option may, if he is otherwise eligible, be granted an additional Option or Options.

1.5 Shares

The aggregate number of shares reserved for issuance pursuant to the Plan shall be 350,000 shares of Common Stock, or the number and kind of shares of stock or other securities which shall be substituted for such shares or to which such shares shall be adjusted as provided in Section 1.6. No individual may be granted options to purchase more than an aggregate of 125,000 shares of Common Stock pursuant to the Plan.

Such number of shares may be set aside out of the authorized but unissued shares of Common Stock or out of issued shares of Common Stock acquired for and held in the Treasury of the Company, not reserved for any other purpose. Shares subject to, but not sold or issued under, any Option terminating or expiring for any reason prior to its exercise in full will again be available for Options thereafter granted during the balance of the term of the Plan.

1.6 Adjustments Due to Stock Splits, Mergers, Consolidation, Etc.

If, at any time, the Company shall take any action, whether by stock dividend, stock split, combination of shares or otherwise, which results in a proportionate increase or decrease in the number of shares of Common Stock theretofore issued and outstanding, the number of shares which are reserved for issuance under the Plan and the number of shares which, at such time, are subject to Options shall, to the extent deemed appropriate by the Committee, be increased or decreased in the same proportion, provided, however, that the Company shall not be obligated to issue fractional shares.

Likewise, in the event of any change in the outstanding shares of Common Stock by reason of any recapitalization, merger, consolidation, reorganization, combination or exchange of shares or other corporate change, the Committee shall make such substitution or adjustments, if any, as it deems to be appropriate, as to the number or kind of shares of Common Stock or other securities which are reserved for issuance under the Plan and the number of shares or other securities which, at such time are subject to Options.

In the event of a Change in Control, at the option of the Board or Committee, (a) all Options outstanding on the date of such Change in Control shall become immediately and fully exercisable, and (b) an optionee will be permitted to surrender for cancellation any Option or portion of an Option which was granted more than six (6) months prior to the date of such surrender, to the extent not yet exercised, and to receive a cash payment in an amount equal to the excess, if any, of the Fair Market Value (on the date of surrender) of the shares of Common Stock subject to the Option or portion thereof surrendered, over the aggregate purchase price for such Shares under the Option.

1.7 Non-Alienation of Benefits

Except as herein specifically provided, no right or unpaid benefit under the Plan shall be subject to alienation, assignment, pledge or charge and any attempt to alienate, assign, pledge or charge the same shall be void. If any Participant or other person entitled to benefits hereunder should attempt to alienate, assign, pledge or charge any benefit hereunder, then such benefit shall, in the discretion of the Committee, cease.

1.8 Withholding or Deduction for Taxes

If, at any time, the Company or any Subsidiary or Affiliate is required, under applicable laws and regulations, to withhold, or to make any deduction for any taxes, or take any other action in connection with any Option exercise, the Participant shall be required to pay to the Company or such Subsidiary or Affiliate, the amount of any taxes required to be withheld, or, in lieu thereof, at the option of the Company, the Company or such Subsidiary or Affiliate may accept a sufficient number of shares of Common Stock to cover the amount required to be withheld.

1.9 Administrative Expenses

The entire expense of administering the Plan shall be borne by the Company.

1.10 General Conditions

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- a. The Board or the Committee may, from time to time, amend, suspend or terminate any or all of the provisions of the Plan, provided that, without the Participant's approval, no change may be made which would alter or impair any right theretofore granted to any Participant.
 - b. With the consent of the Participant affected thereby, the Committee may amend or modify any outstanding Option in any manner not inconsistent with the terms of the Plan, including, without limitation, and irrespective of the provisions of Section 2.3(c) below, to accelerate the date or dates as of which an installment of an Option becomes exercisable; provided, that the Committee shall not have the right to reprice any outstanding Options.

- c. Nothing contained in the Plan shall prohibit the Company or any Subsidiary or Affiliate from establishing other additional incentive compensation arrangements for employees of the Company or such Subsidiary or Affiliate.
- d. Nothing in the Plan shall be deemed to limit, in any way, the right of the Company or any Subsidiary or Affiliate to terminate a Participant's employment or service with the Company (or such Subsidiary or Affiliate) at any time.
- e. Any decision or action taken by the Board or the Committee arising out of or in connection with the construction, administration, interpretation and effect of the Plan shall be conclusive and binding upon all Participants and any person claiming under or through any Participant.
- f. No member of the Board or of the Committee shall be liable for any act or action, whether of commission or omission, (i) by such member except in circumstances involving actual bad faith, nor (ii) by any other member or by any officer, agent or employee.

1.11 Compliance with Applicable Law

Notwithstanding any other provision of the Plan, the Company shall not be obligated to issue any shares of Common Stock, or grant any Option with respect thereto, unless it is advised by counsel of its selection that it may do so without violation of the applicable Federal and State laws pertaining to the issuance of securities and the Company may require any stock certificate so issued to bear a legend, may give its transfer agent instructions limiting the transfer thereof, and may take such other steps, as in its judgment are reasonably required to prevent any such violation.

1.12 Effective Dates

The Plan was adopted by the Board on June 14, 2001, subject to stockholder approval. The Plan shall terminate on June 13, 2011.

Section 2. OPTION GRANTS

2.1 Authority of Committee

Subject to the provisions of the Plan, the Committee shall have the sole and complete authority to determine (i) the Participants to whom Options shall be granted; (ii) the number of shares to be covered by each Option; and (iii) the conditions and limitations, if any, in addition to those set forth in Sections 2 and 3 hereof, applicable to the exercise of an Option, including without limitation, the nature and duration of the restrictions, if any, to be imposed upon the sale or other disposition of shares acquired upon exercise of an Option.

Stock Options granted under the Plan shall be non-qualified stock options.

The Committee shall have the authority to grant Options.

2.2 Option Exercise Price

The exercise price set forth in the Option Agreement at the time of grant shall not be less than 85%, nor more than 100%, of the Fair Market Value of the Common Stock at the time that the Option is granted.

The consideration to be paid for the Shares to be issued upon exercise of an Option may consist of (i) cash, (ii) check, (iii) other shares of the Company's Common Stock which have a Fair Market Value on the date of surrender equal to the aggregate exercise price of the Shares as to which said Option shall be exercised, or (iv) consideration received by the Company under any cashless exercise program implemented by the Company in connection with the Plan. Stock certificates will be delivered only against such payment.

2.3 Option Grants

Each Option will be subject to the following provisions:

a. Term of Option

An Option will be for a term of not more than ten years from the date of grant.

b. Exercise

(i) By an Employee:

Unless otherwise provided by the Committee and except in the manner described below upon the death of the optionee, an Option may be exercised only in installments as follows: up to one-half of the subject shares on and after the first anniversary of the date of grant, up to all of the subject shares on and after the second such anniversary of the date of the grant of such Option but in no event later than the expiration of the term of the Option.

An Option shall be exercisable during the optionee's lifetime only by the optionee and shall not be exercisable by the optionee unless, at all times since the date of grant and at the time of exercise, such optionee is an employee of or providing services to the Company, any parent corporation of the Company or any Subsidiary or Affiliate, except that, upon termination of all such employment or provision of services (other than by death, Total Disability, or by Total Disability followed by death in the circumstances provided below), the optionee may exercise an Option at any time within three months thereafter but only to the extent such Option is exercisable on the date of such termination.

Upon termination of all such employment by Total Disability, the optionee may exercise such Options at any time within one year thereafter, but only to the extent such Option is exercisable on the date of such termination.

In the event of the death of an optionee (i) while an employee of or providing services to the Company, any parent corporation of the Company or any Subsidiary or Affiliate, or (ii) within three months after termination of all such employment or provision of services (other than for Total Disability) or (iii) within one year after termination on account of Total Disability of all such employment or provision of services, such optionee's estate or any person who acquires the right to exercise such option by bequest or inheritance or by reason of the death of the optionee may exercise such optionee's Option at any time within the period of two years from the date of death. In the case of clauses (i) and (iii) above, such Option shall be exercisable in full for all the remaining shares covered thereby, but in the case of clause (ii) such Option shall be exercisable only to the extent it was exercisable on the date of such termination of employment or service.

(ii) By Persons other than Employees:

If the optionee is not an employee of the Company or the parent corporation of the Company or any Subsidiary or Affiliate, the vesting of such optionee's right to exercise his Options shall be established and determined by the Committee in the Option Agreement covering the Options granted to such optionee.

Notwithstanding the foregoing provisions regarding the exercise of an Option in the event of death, Total Disability, other termination of employment or provision of services or otherwise,

in no event shall an Option be exercisable in whole or in part after the termination date provided in the Option Agreement.

c. Transferability

An Option granted under the Plan shall not be transferable otherwise than by will or by the laws of descent and distribution, or as may be permitted by the Board or the Committee.

2.4 Agreements

In consideration of any Options granted to a Participant under the Plan, each such Participant shall enter into an Option Agreement with the Company providing, consistent with the Plan, such terms as the Committee may deem advisable.

February 14, 2002

Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, D.C. 20549

Re: Nathan's Famous, Inc.
Registration Statement on Form S-8

Gentlemen:

Reference is made to the filing by Nathan's Famous, Inc. (the "Corporation") of a Registration Statement on Form S-8 with the Securities and Exchange Commission pursuant to the provisions of the Securities Act of 1933, as amended, covering the registration of 350,000 shares of the Corporation's Common Stock, \$.01 par value per share, in connection with the Corporation's 2001 Stock Option Plan (the "Plan").

As counsel for the Corporation, we have examined its corporate records, including its Certificate of Incorporation, as amended, By-Laws, its corporate minutes, the form of its Common Stock certificate, the Plan, related documents under the Plan and such other documents as we have deemed necessary or relevant under the circumstances.

Based upon our examination, we are of the opinion that:

1. The Corporation is duly organized and validly existing under the laws of the State of Delaware.

2. There have been reserved for issuance by the Board of Directors of the Corporation 350,000 shares of its Common Stock, \$.01 par value per share. The shares of the Corporation's Common Stock, when issued pursuant to the Plan, will be validly authorized, legally issued, fully paid and non-assessable.

We hereby consent to be named in the Registration Statement and in the Prospectus which constitutes a part thereof as counsel of the Corporation, and we hereby consent to the filing of this opinion as Exhibit 5 to the Registration Statement.

Very truly yours,

/s/ Blau, Kramer, Wactlar & Lieberman, P.C.
BLAU, KRAMER, WACTLAR &
LIEBERMAN, P.C.

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation by reference in this registration statement of our reports dated June 14, 2001 included in Nathan's Famous, Inc. and Subsidiaries Form 10-K for the year ended March 25, 2001 and to all references to our Firm included in this registration statement.

/s/ Arthur Andersen LLP

Melville, New York
February 13, 2002