

| OMB APPROVAL                                 |           |
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| OMB Number:                                  | 3235-0287 |
| Estimated average burden hours per response: | 0.5       |

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP**

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

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

|  |         |          |   |  |  |  |  |  |
|--|---------|----------|---|--|--|--|--|--|
| 1. Name and Address of Reporting Person*<br><b>LORBER HOWARD M</b> |         |          | 2. Issuer Name and Ticker or Trading Symbol<br><b>NATHANS FAMOUS INC [ NATH ]</b> |  |  | 5. Relationship of Reporting Person(s) to Issuer (Check all applicable)<br><input checked="" type="checkbox"/> Director <input checked="" type="checkbox"/> 10% Owner<br><input checked="" type="checkbox"/> Officer (give title below) Other (specify below)<br><b>Executive Chairman</b> |  |  |
| (Last)   | (First) | (Middle) | 3. Date of Earliest Transaction (Month/Day/Year)<br><b>10/21/2009</b>             |  |  | 6. Individual or Joint/Group Filing (Check Applicable Line)<br><input checked="" type="checkbox"/> Form filed by One Reporting Person<br>Form filed by More than One Reporting Person  |  |  |
| <b>70 EAST SUNRISE HIGHWAY - SUITE 411</b>                         |         |          | 4. If Amendment, Date of Original Filed (Month/Day/Year)                          |  |  |  |  |  |
| (Street)<br><b>VALLEY STREAM NY US 11581</b>                       |         |          |   |  |  |  |  |  |
| (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 Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|------------|----------|---|--|---|
|                                 |                                      |  | Code                           | V | Amount  | (A) or (D) | Price    |   |  |   |
| Common Stock                    | 10/21/2009                           |  | M                              |   | 250,000   | A          | \$3.3438 | 881,600   | D  |   |
| Common Stock                    |                                      |  |                                |   |   |            |          | 75,000 <sup>(1)</sup>   | I  | By Trust  |

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

| 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 Securities Underlying Derivative Security (Instr. 3 and 4) | 8. Price of Derivative Security (Instr. 5) | 9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4) | 10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) |       |
|--|--|--------------------------------------|--|--------------------------------|---|--|-----|--|-----------------|---|--|--|---|--|-------|
|  |  |                                      |  | Code                           | V | (A)  | (D) | Date Exercisable   | Expiration Date |   |  |  |   |  | Title |
| 1998 Stock Option Plan (right to buy)      | \$3.3438   | 10/21/2009                           |  | M                              |   | 250,000  |     | 10/28/2000 <sup>(2)</sup>                                | 10/28/2009      | Common Stock  | 250,000                                    | \$0  | 0 <sup>(3)</sup>  | D  |       |

**Explanation of Responses:**

- Owned by Howard M. Lorber Irrevocable Trust. Reporting Person disclaims beneficial ownership of these securities.
- Option became exercisable in three equal annual installments commencing October 28, 2000.
- Does not include the options to purchase 25,000 shares granted under the 2002 Stock Option Plan.

Howard M. Lorber 10/22/2009  
 \*\* Signature of Reporting Person Date

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

\* 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).

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

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.**