

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report: July 12, 2005
(Date of earliest event reported)

NATHAN'S FAMOUS, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware

1-3189

11-3166443

(State of Incorporation)

(Commission
File Number)

(I.R.S. Employer
Identification No.)

1400 Old Country Road, Westbury, New York

11590

(Address of Principal Executive Offices)

(Zip Code)

Registrant's telephone number including area code

(516) 338-8500

N/A

(Former name or former address, if changed since last report.)

Item 1.01. Entry into a Material Definitive Agreement.

On July 12, 2005, Miami Subs Corporation ("MSC"), a wholly-owned subsidiary of Nathan's Famous, Inc. (the "Registrant") and Donald Perlyn, entered into an amendment (the "Amendment") to Mr. Perlyn's employment agreement with MSC dated as of January 15, 1999 ("Employment Agreement"). Mr. Perlyn is employed as President of MSC and is also an Executive Vice President of the Registrant. The Registrant is a guarantor of MSC's obligations under the Employment Agreement. Pursuant to the Amendment, (1) the definition of a competing business has been expanded so that Mr. Perlyn is prohibited from competing in the business of selling food products to the foodservice industry and (2) the definition of a change in control has been changed. The effect of the change in the definition of change in control is that Mr. Perlyn will be entitled to receive a payment upon a change in control of Registrant, rather than upon a change in control of Registrant or MSC. In connection with the execution and delivery of the Amendment, the Registrant entered into a letter agreement with Mr. Perlyn of even date pursuant to which the Registrant agreed that upon a sale by it of the stock of MSC and any termination of the Employment Agreement upon the consummation of such sale, the Registrant will enter into an employment agreement with Mr. Perlyn on substantially the same terms and conditions as those currently contained in the Employment Agreement.

A copy of the Amendment is filed as Exhibit 10.1 hereto and a copy of the letter agreement is filed as Exhibit 10.2 hereto.

Item 9.01 Financial Statements and Exhibits.

(c) 10.1 Amendment No. 1 to Employment Agreement between Miami Subs Corporation and Donald Perlyn dated July 12, 2005

10.2 Letter Agreement between Nathan's Famous, Inc. and Donald Perlyn

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunder duly authorized.

NATHAN'S FAMOUS, INC.

By: /s/Ronald DeVos

Ronald DeVos
Vice-President Finance
and Chief Financial Officer
(Principal Financial and Accounting Officer)

Dated: July 13, 2005

EXHIBIT INDEX

- 10.1 Amendment No. 1 to Employment Agreement between Miami Subs Corporation and Donald Perlyn dated July 12, 2005
- 10.2 Letter Agreement between Nathan's Famous, Inc. and Donald Perlyn

This amendment to employment agreement is made this 28th day of March, 2005 by and between MIAMI SUBS CORPORATION, a Florida corporation, with its principal place of business at 6300 Northwest 31st Avenue, Fort Lauderdale, Florida 33309 (the "Company"), and Donald L. Perlyn, residing at 2798 N.W. 27th Terrace, Boca Raton, Fl. 33434 (the "Executive").

W I T N E S S E T H

WHEREAS, the Company and the Employee are parties to an Employment Agreement dated as of January 15, 1999 (the "Employment Agreement");

WHEREAS, Nathan's Famous, Inc., a Delaware corporation ("Parent"), the owner of the Company, is a signatory to the Employment Agreement; and

WHEREAS, the Company, Parent and the Employee desire to amend the Employment Agreement in accordance with the terms hereof.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto do hereby agree as follows:

1. Section 9(b)(i) of the Employment Agreement is hereby amended and restated to read as follows:

"(i) participating, directly or indirectly, as an individual proprietor, partner, stockholder, officer, employee, director, joint venturer, investor, lender, consultant or in any capacity whatsoever (A) in the State of Florida or New York, in a business in competition with the quick-service restaurant business or (B) in the United States, in a business in competition with the business of selling food products to the foodservice industry, in each case as conducted by the Company, its affiliated entities or its licensees during the Employment Term; provided, however, that such prohibited participation shall not include: (x) the mere ownership of not more than one percent (1%) of the total outstanding stock of a publicly held company; (y) the performance of services for any enterprise to the extent such services are not performed, directly or indirectly, for a business in the aforesaid Competition; or (z) any activity engaged in with the prior written approval of the Board."

2. Section 13 of the Employment Agreement is hereby amended and restated to read as follows:

"1. Change of Control.

Upon a "Change of Control" (as defined below) of the Parent, the Company shall pay Executive, within thirty (30) days of such event, a lump sum equal to three (3) times the amount of his Base Salary in effect at the time of such event, together with a pro rata portion of the bonus accrued through the date of such Change of Control. As used herein "Change of Control" means (a) a change in control as such term is presently defined in Regulation 240.12b-2 under the Securities Exchange Act of 1934 ("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 any "person" who on the date of this Agreement is a director or officer of the Parent), becomes the "beneficial owner" (as defined in Rule 13(d)-3 under the Exchange Act), directly or indirectly, of securities of the Parent representing twenty (20%) percent of the voting power of the Parent's then outstanding securities; or (c) if during any period of two (2) consecutive years during the term of Executive's employment, individuals who at the beginning of such period constitute the Board of Directors of the Parent cease for any reason to constitute at least a majority thereof."

3. Except as specifically amended by this Amendment, the Employment Agreement shall remain in full force and effect in all respects as originally executed.

4. This Amendment may be executed in several counterparts, each of which shall be deemed an original and all of which shall constitute one and the same instrument. This Amendment shall be governed in all respects, including validity, interpretation and effect, by the laws of the State of New York, applicable to contracts made and to be performed entirely in New York.

IN WITNESS WHEREOF, the Company and Parent have each caused this Amendment to be duly executed by an authorized officer and Executive has hereunto set his hand as of the date first set forth above.

MIAMI SUBS CORPORATION

By: /s/Jerry Woda

Name: Jerry Woda
Title: Vice President

/s/Donald L. Perlyn

Donald L. Perlyn

NATHAN'S FAMOUS, INC.

By: /s/Wayne Norbitz

Name: Wayne Norbitz

Title: Presidnet

NATHAN'S FAMOUS, INC.
1400 Old Country Road
Westbury, New York 11590

July 12, 2005

Donald L. Perlyn
2798 N.W. 27th Terrace
Boca Raton, Fl. 33434

Re: Employment Agreement with Miami Subs Corporation dated as of

January 15, 2005 ("Employment Agreement")

Dear Mr. Perlyn,

This letter will confirm our agreement that, in consideration of your execution and delivery of Amendment No. 1 to Employment Agreement between Miami Subs Corporation and you, upon any sale by Nathan's Famous, Inc. of the stock of Miami Subs Corporation and any termination of the Employment Agreement upon the consummation of such sale, the undersigned will enter into an employment agreement with you on substantially the same terms and conditions as those currently contained in such Employment Agreement.

Very truly yours,

NATHAN'S FAMOUS, INC.

By: /s/Wayne Norbitz

Title:President

ACCEPTED AND AGREED

By: /s/Donald Perlyn

Donald Perlyn