

Watts Randy
Form 4
February 22, 2012

FORM 4

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

OMB APPROVAL

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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 *
Watts Randy

(Last) (First) (Middle)

C/O NATHAN'S FAMOUS,
INC., ONE JERICHO PLAZA

(Street)

JERICHO, NY US 11573

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol

NATHANS FAMOUS INC [NATH]

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

02/17/2012

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

VP - Franchise Operations

6. Individual or Joint/Group Filing(Check Applicable Line)

Form filed by One Reporting Person
 Form filed by More than One Reporting Person

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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | Code | V | Amount or Price | | |
| Common Stock | 02/17/2012 | | M | | 3,000 (1) | A | \$ 5.62 4,600 D |
| Common Stock | 02/17/2012 | | S | | 600 | D | \$ 20.92 4,000 D |
| Common Stock | 02/17/2012 | | S | | 99 | D | \$ 20.93 3,901 D |
| Common Stock | 02/17/2012 | | S | | 403 | D | \$ 20.97 3,498 D |
| Common Stock | 02/17/2012 | | S | | 400 | D | \$ 21 3,098 D |

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| | | | | | | | |
|--------------|------------|---|-----|---|----------|-------|---|
| Common Stock | 02/17/2012 | S | 100 | D | \$ 21.01 | 2,998 | D |
| Common Stock | 02/17/2012 | S | 98 | D | \$ 21.11 | 2,900 | D |
| Common Stock | 02/17/2012 | S | 200 | D | \$ 21.15 | 2,700 | D |

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

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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 Underlying Securities (Instr. 3 and 4) | Amount or Number of Shares |
|---|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|
| Employee Stock Option (Right to Buy) ⁽²⁾ | \$ 5.62 | 06/15/2004 | | M | 3,000 ⁽²⁾ ⁽³⁾ | 06/15/2005 ⁽³⁾ 06/14/2014 | Common Stock | 3,000 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Watts Randy C/O NATHAN'S FAMOUS, INC. ONE JERICHO PLAZA JERICHO, NY US 11573 | | | VP - Franchise Operations | |

Signatures

Randy Watts 02/22/2012
 **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).

(1) Shares acquired pursuant to the Issuer's 2002 Stock Incentive Plan.

(2) Options acquired pursuant to the Issuer's 2002 Stock Incentive Plan.

(3) Such options were part of a grant of 10,000 options on 6/15/2004 which vested over a three-year period commencing on 6/15/2005.

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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