

FRIENDLY ICE CREAM CORP
Form 4
September 28, 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 *
LION FUND, L.P.

2. Issuer Name and Ticker or Trading Symbol
FRIENDLY ICE CREAM CORP
[FRN]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
9311 SAN PEDRO AVENUE,
SUITE 1440

(Street)

3. Date of Earliest Transaction
(Month/Day/Year)
09/26/2006

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

SAN ANTONIO, TX 78216

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 Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | | (A) or (D) | Price | | |
| | | | | Code | V | Amount | |
| Common Stock, \$.01 par value | 09/26/2006 | | P | A | 27,400 | \$ 10.15 | 515,170 ⁽¹⁾ D |
| Common Stock, \$.01 par value | 09/26/2006 | | P | A | 0 | \$ 0 | 515,170 ⁽²⁾ I |
| Common Stock, \$.01 par value | 09/27/2006 | | P | A | 1,000 | \$ 10.21 | 516,170 ⁽¹⁾ D |
| Common Stock, \$.01 par value | 09/27/2006 | | P | A | 0 | \$ 0 | 516,170 ⁽²⁾ I |

By The
Lion
Fund, L.P.

By The

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| | | | | | | | | | |
|-------------------------------------|------------|--|---|--------|---|-------------|--------------------|---|------------------------------|
| Stock, \$.01 par value | | | | | | | | | Lion Fund, L.P. |
| Common Stock, \$.01 par value | 09/28/2006 | | P | 13,000 | A | \$ 10.16 | 529,170 <u>(1)</u> | D | |
| Common Stock, \$.01 par value | 09/28/2006 | | P | 0 | A | \$ 0 | 529,170 <u>(2)</u> | I | By The Lion Fund, L.P. |

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

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 control number.

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(9-02)

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) | 8. Price of Derivative Security (Instr. 5) | 9. Nu Deriv Secur Bene Own Follo Repo Trans (Instr |
|---|--|---|---|--------------------------------------|--|--|---|---|--|
| | | | | | | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| | | | | | | Code | V (A) (D) | | |

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

| | |
|---|---|
| LION FUND, L.P. 9311 SAN PEDRO AVENUE, SUITE 1440 SAN ANTONIO, TX 78216 | X |
| BIGLARI CAPITAL CORP. 9311 SAN PEDRO AVENUE, SUITE 1440 SAN ANTONIO, TX 78216 | X |
| BIGLARI, SARDAR 9311 SAN PEDRO AVENUE, SUITE 1440 SAN ANTONIO, TX 78216 | X |

Signatures

The Lion Fund, L.P., By: Biglari Capital Corp., its general partner, By: /s/ Sardar Biglari, its Chairman and Chief Executive Officer

09/28/2006

__Signature of Reporting Person

Date

Biglari Capital Corp., By: /s/ Sardar Biglari, its Chairman and Chief Executive Officer

09/28/2006

__Signature of Reporting Person

Date

/s/ Sardar Biglari

09/28/2006

__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).

(1) These securities are owned by The Lion Fund, L.P., (the "Lion Fund") which is a Reporting Person.

The securities may be deemed to be beneficially owned by Biglari Capital Corp. ("BCC"), the general partner of the Lion Fund and Sardar Biglari, the Chairman and Chief Executive Officer of BCC. Sardar Biglari and BCC each disclaim beneficial ownership in the

(2) securities reported on this Form 4 except to the extent of their pecuniary interest, if any, therein, and this report shall not be deemed to be an admission that either Sardar Biglari or BCC are the beneficial owners of such securities for purposes of Section 16 or for any other purpose.

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

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.