

FRIENDLY ICE CREAM CORP  
 Form 4  
 October 01, 2007

**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 \*  
 DALY MICHAEL J

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)

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

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

1225 LONGMEADOW STREET

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

(Street)

LONGMEADOW, MA 01106

(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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
|                                 |                                      |  | Code                           | V   | Amount  | (D)  | Price                             |
| Common Stock                    | 08/30/2007                           |  | D                              |   | 14,200  | D  | 0                                 |

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

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SEC 1474  
 (9-02)

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

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| 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. F... |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|---------|
| Stock Options                              | \$ 5.75  | 08/30/2007                           |  | D                              | 2,150   | (2) 04/20/2009   | Common Stock 2,150  | \$      |
| Stock Options                              | \$ 2.4   | 08/30/2007                           |  | D                              | 5,000   | (3) 07/25/2011   | Common Stock 5,000  | \$      |
| Stock Options                              | \$ 9   | 08/30/2007                           |  | D                              | 3,000   | (4) 10/22/2008   | Common Stock 3,000  | \$      |
| Stock Options                              | \$ 9.71  | 08/30/2007                           |  | D                              | 3,000   | (5) 10/19/2009   | Common Stock 3,000  | \$      |
| Stock Options                              | \$ 9.81  | 08/30/2007                           |  | D                              | 4,500   | (6) 11/02/2010   | Common Stock 4,500  | \$      |
| Stock Options                              | \$ 10.61   | 08/30/2007                           |  | D                              | 5,000   | (7) 11/01/2011   | Common Stock 5,000  | \$      |

## Reporting Owners

| Reporting Owner Name / Address                                   | Relationships |           |         |       |
|--|---------------|-----------|---------|-------|
|  | Director      | 10% Owner | Officer | Other |
| DALY MICHAEL J<br>1225 LONGMEADOW STREET<br>LONGMEADOW, MA 01106 |               |           | X       |       |

## Signatures

/s/ Gregory A. Pastore, Under Power of Attorney for Michael J. Daly

10/01/2007

\*\*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).

Disposed in connection with the merger of the issuer with Freeze Operations, Inc. pursuant to that certain agreement and plan of merger (1) dated June 17, 2007, by and among the issuer, Freeze Operations Holding Corp. and Freeze Operations, Inc. (the "Merger"), in exchange for the right to receive a cash payment equal to \$15.50 per share.

(2)

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These options became fully vested on December 20, 2004, and were cancelled in connection with the Merger in exchange for a cash payment of \$20,962.50, representing the difference between the exercise price of the options and \$15.50 per share.

- (3) These options became fully vested on December 20, 2004, and were cancelled in connection with the Merger in exchange for a cash payment of \$65,500.00, representing the difference between the exercise price of the options and \$15.50 per share.
- (4) These options became fully vested on December 20, 2004, and were cancelled in connection with the Merger in exchange for a cash payment of \$19,500.00, representing the difference between the exercise price of the options and \$15.50 per share.
- (5) These options became fully vested on December 20, 2004, and were cancelled in connection with the Merger in exchange for a cash payment of \$17,370.00, representing the difference between the exercise price of the options and \$15.50 per share.

- These options, which provided for vesting in three equal annual installments commencing on November 2, 2006, were accelerated and
- (6) became fully vested, and were cancelled in connection with the Merger in exchange for a cash payment of \$25,605.00, representing the difference between the exercise price of the options and \$15.50 per share.

- These options, which provided for vesting in three equal annual installments commencing on November 1, 2007, were accelerated and
- (7) became fully vested, and were cancelled in connection with the Merger in exchange for a cash payment of \$24,450.00, representing the difference between the exercise price of the options and \$15.50 per share.

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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