

FRIENDLY ICE CREAM CORP

Form 4

September 28, 2006

FORM 4**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

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

OMB APPROVAL

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(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

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

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

(Street)
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
X 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 or Disposed of (D) (Instr. 3, 4 and 5) (A) or (D)	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)
Common Stock, \$.01 par value	09/26/2006		P	27,400 A \$ 10.15	515,170 <u>(1)</u>	D	
Common Stock, \$.01 par value	09/26/2006		P	0 A \$ 0	515,170 <u>(2)</u>	I	By The Lion Fund, L.P.
Common Stock, \$.01 par value	09/27/2006		P	1,000 A \$ 10.21	516,170 <u>(1)</u>	D	
Common	09/27/2006		P	0 A \$ 0	516,170 <u>(2)</u>	I	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 ⁽¹⁾	D			
Common Stock, \$.01 par value	09/28/2006	P	0	A	\$ 0	529,170 ⁽²⁾	I			By The Lion Fund, L.P.

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

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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. Number of Derivative Securities Owned Following Report Transaction (Instr. 6)
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

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.