

NATHANS FAMOUS INC
Form 8-K
December 11, 2012

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

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): December 5, 2012

NATHAN'S FAMOUS, INC.
(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation)	1-3189 (Commission File Number)	11-3166443 (IRS Employer Identification No.)
One Jericho Plaza, Jericho, New York (Address of principal executive offices)		11753 (Zip Code)

Registrant's telephone number, including area code: (516) 338-8500

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01

Entry into a Material Definitive Agreement.

On December 5, 2012, Nathan's Famous, Inc. (the "Company") entered into a definitive and binding letter agreement (the "Letter Agreement") with John Morrell & Co. ("JMC"), a subsidiary of Smithfield Foods, Inc. ("SFI"), setting forth the material terms for a licensing and supply agreement between the parties (the "Licensing Agreement"). The parties intend to replace the Letter Agreement with a long form licensing and supply agreement containing the material terms set forth in the Letter Agreement along with such other terms as are customary and appropriate. In the event a long form licensing and supply agreement is not executed by both parties, the Letter Agreement shall remain binding and definitive.

Under the Letter Agreement, for a term of 18 years commencing March 2, 2014, JMC has been granted, among other things, (i) the exclusive right and obligation to manufacture, distribute, market and sell "Nathan's Famous" branded hot dog, sausage and corned beef products in refrigerated consumer packages to be resold through retail channels (e.g., supermarkets, groceries, mass merchandisers and club stores) within the United States, (ii) a right of first offer to license any other "Nathan's Famous" branded refrigerated meat products in consumer packages to be resold through retail channels within the United States, on terms to be negotiated in good faith, (iii) the right and obligation to manufacture "Nathan's Famous" branded hot dog and sausage products in bulk for use in the food service industry within the United States, and (iv) the non-exclusive right and obligation to supply "Nathan's Famous" natural casing and skinless hot dogs in bulk for use in the "Nathan's Famous" restaurant system within the United States.

Currently, the Company licenses the manufacture and sale of "Nathan's Famous" hot dogs by JMC to certain food service customers, including Sam's Club and the deli departments of various large supermarket chains such as Kroger. Under the Letter Agreement, these existing food service licensing arrangements will terminate and be replaced by a new license agreement whereby JMC shall have the exclusive right to supply only certain food service customers including Sam's Club and other food service operations that exist within supermarkets, club stores, grocery stores and mass merchandisers.

The Letter Agreement provides for royalties on packaged products sold to supermarkets, club stores and grocery stores, payable on a monthly basis to the Company equal to 10.8% of net sales, subject to minimum annual guaranteed royalties of at least \$10 million in the first year of the term and which minimum guaranteed royalties increase annually throughout the term. During the fiscal year ended March 25, 2012, the Company earned approximately \$4.5 million pursuant to the previous license agreement.

SIGNATURES

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 hereunto duly authorized.

Dated: December 11, 2012

NATHAN'S FAMOUS, INC.

By:	/s/ Ronald DeVos
Name:	Ronald DeVos
Title:	Vice President Finance and Chief Financial Officer (Principal Financial Officer and Accounting Officer)