

FRIENDLY ICE CREAM CORP

Form SC 13G/A

February 14, 2005

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

SCHEDULE 13G/A

Under the Securities Exchange Act of 1934
(Amendment No. 2)*

Friendly Ice Cream Corporation

(Name of Issuer)

Common Stock

(Title of Class of Securities)

358497105

(CUSIP Number of Class of Securities)

Jim Black
Orrick, Herrington & Sutcliffe LLP
405 Howard Street
San Francisco, CA 94105
(415) 773-5840

(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)
December 31, 2004

(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

Rule 13d-1 (b)

Rule 13d-1 (c)

Rule 13d-1 (d)

(Continued on following pages)

(Page 1 of 10 Pages)

*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

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The information required in the remainder of this cover page shall not be deemed to be filed for the purpose of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the notes).

SCHEDULE 13G/A
(Amendment No. 2)

CUSIP No. 358497105

1. Name of Reporting Person: Kevin Douglas
I.R.S. Identification Nos. of above persons (entities only):

2. Check the Appropriate Box if a Member of a Group:
(a) o
(b) p

3. SEC Use Only:

4. Citizenship or Place of Organization:
United States

Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With

5. Sole Voting Power:
-0-

6. Shared Voting Power:
544,951 (1)

7. Sole Dispositive Power:
-0-

8. Shared Dispositive Power:
840,700 (2)

9. Aggregate Amount Beneficially Owned by Each Reporting Person:
840,700

10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares:
 o

11. Percent of Class Represented by Amount in Row (9):
10.9% (3)(4)

12. Type of Reporting Person:
IN

- (1) Kevin Douglas and his wife, Michelle Douglas, hold 358,146 shares both directly and jointly. In addition, Kevin Douglas and Michelle Douglas are co-trustees of the James Douglas and Jean Douglas Irrevocable Descendants Trust, which holds 186,805 shares.
- (2) Kevin Douglas has dispositive power with respect to 73,445 shares held by James E. Douglas, III and 222,304 shares held by the Douglas Family Trust.
- (3) Based on 7,702,572 shares of the Issuer's Common Stock outstanding as of October 15, 2004, as reported in its quarterly report on Form 10-Q for the quarter ended September 26, 2004.
- (4) As of July 9, 2004, Kevin Douglas beneficially held 757,000 shares, of which (i) he had shared voting and dispositive power over 322,140 shares held by his wife and him, directly and jointly, and 170,135 shares held by the James Douglas and Jean Douglas Irrevocable Descendants Trust, and (ii) he had shared dispositive power over 65,040 shares held by James E. Douglas, III and 199,685 shares held by the Douglas Family Trust. As of July 9, 2004, Kevin Douglas' total beneficial holdings equaled 10.0% of the Issuer's outstanding common stock (calculated based on 7,552,801 shares of the Issuer's Common Stock outstanding as of April 16, 2004, as reported in its quarterly report on Form 10-Q for the quarter ended March 28, 2004).

SCHEDULE 13G/A
(Amendment No. 2)

CUSIP No. 358497105

1. Name of Reporting Person: James E. Douglas, III
I.R.S. Identification Nos. of above persons (entities only):

2. Check the Appropriate Box if a Member of a Group:
(a) o
(b) p

3. SEC Use Only:

4. Citizenship or Place of Organization:
United States

Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With

5. Sole Voting Power:
73,445

6. Shared Voting Power:
-0-

7. Sole Dispositive Power:
-0-

8. Shared Dispositive Power:
73,445 (1)

9. Aggregate Amount Beneficially Owned by Each Reporting Person:
73,445

10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares:
 o

11. Percent of Class Represented by Amount in Row (9):
1.0% (2)(3)

12. Type of Reporting Person:
IN

- (1) Kevin Douglas has dispositive power with respect to 73,445 shares held by James E. Douglas, III.
- (2) Based on 7,702,572 shares of the Issuer's Common Stock outstanding as of October 15, 2004, as reported in its quarterly report on Form 10-Q for the quarter ended September 26, 2004.
- (3) As of July 9, 2004, James E. Douglas, III beneficially held 65,040 shares, with respect to which he shared dispositive power with Kevin Douglas. As of July 9, 2004, the total beneficial holdings of James E. Douglas, III equaled 0.9% of the Issuer's outstanding common stock (calculated based on 7,552,801 shares of the Issuer's Common Stock outstanding as of April 16, 2004, as reported in its quarterly report on Form 10-Q for the quarter ended March 28, 2004).

SCHEDULE 13G/A
(Amendment No. 2)

CUSIP No. 358497105

1. Name of Reporting Person: Douglas Family Trust (1) I.R.S. Identification Nos. of above persons (entities only):

2. Check the Appropriate Box if a Member of a Group:
(a) o
(b) p

3. SEC Use Only:

4. Citizenship or Place of Organization:
California

Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With

5. Sole Voting Power:
222,304

6. Shared Voting Power:
-0-

7. Sole Dispositive Power:
-0-

8. Shared Dispositive Power:
222,304 (2)

9. Aggregate Amount Beneficially Owned by Each Reporting Person:
222,304

10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares:
 o

11. Percent of Class Represented by Amount in Row (9):
2.9% (3)(4)

12. Type of Reporting Person:
OO

- (1) James E. Douglas, Jr. and Jean A. Douglas, husband and wife, are co-trustees.
- (2) Kevin Douglas has dispositive power with respect to 222,304 shares held by the Douglas Family Trust.
- (3) Based on 7,702,572 shares of the Issuer's Common Stock outstanding as of October 15, 2004, as reported in its quarterly report on Form 10-Q for the quarter ended September 26, 2004.
- (4) As of July 9, 2004, the Douglas Family Trust beneficially held 199,685 shares, with respect to which it shared dispositive power with Kevin Douglas. As of July 9, 2004, the Douglas Family Trust's total beneficial holdings equaled 2.6% of the Issuer's outstanding common stock (calculated based on 7,552,801 shares of the Issuer's Common Stock outstanding as of April 16, 2004, as reported in its quarterly report on Form 10-Q for the quarter ended March 28, 2004).

SCHEDULE 13G/A
(Amendment No. 2)

CUSIP No. 358497105

1. Name of Reporting Person: James Douglas and Jean Douglas Irrevocable Descendants Trust (1)
I.R.S. Identification Nos. of above persons (entities only):

2. Check the Appropriate Box if a Member of a Group:

(a)

(b)

3. SEC Use Only:

4. Citizenship or Place of Organization:
California

Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With

5. Sole Voting Power:
186,805

6. Shared Voting Power:
-0-

7. Sole Dispositive Power:
186,805

8. Shared Dispositive Power:
-0-

9. Aggregate Amount Beneficially Owned by Each Reporting Person:
186,805

10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares:

11. Percent of Class Represented by Amount in Row (9):
2.4% (2)(3)

12. Type of Reporting Person:
OO

- (1) Kevin Douglas and Michelle Douglas, husband and wife, are co-trustees.
- (2) Based on 7,702,572 shares of the Issuer's Common Stock outstanding as of October 15, 2004, as reported in its quarterly report on Form 10-Q for the quarter ended September 26, 2004.
- (3) As of July 9, 2004, the James Douglas and Jean Douglas Irrevocable Descendants Trust beneficially held 170,135 shares. As of July 9, 2004, the Douglas Family Trust's total beneficial holdings equaled 2.3% of the Issuer's outstanding common stock (calculated based on 7,552,801 shares of the Issuer's Common Stock outstanding as of April 16, 2004, as reported in its quarterly report on Form 10-Q for the quarter ended March 28, 2004).

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Item 1.

- (a) Name of Issuer:
Friendly Ice Cream Corporation
- (b) Address of Issuer's Principal Executive Offices:
1855 Boston Road
Wilbraham, Massachusetts 01095

Item 2.

- (1)(a) NAME OF PERSONS FILING:
Kevin Douglas
James E. Douglas, III
- (b) ADDRESS OF PRINCIPAL BUSINESS OFFICE OR, IF NONE, RESIDENCE:
1101 Fifth Avenue, Suite 360
San Rafael, California 94901
- (c) CITIZENSHIP:
United States
- (d) TITLE OF CLASS OF SECURITIES:
Common Stock
- (c) CUSIP NUMBER:
358497105
- (2)(a) NAME OF PERSONS FILING:
Douglas Family Trust
James Douglas and Jean Douglas Irrevocable Descendants Trust
- (b) ADDRESS OF PRINCIPAL BUSINESS OFFICE OR, IF NONE, RESIDENCE:
1101 Fifth Avenue, Suite 360
San Rafael, California 94901
- (c) CITIZENSHIP:
California
- (d) TITLE OF CLASS OF SECURITIES:
Common Stock
- (e) CUSIP NUMBER:
358497105

Item 3. If this statement is filed pursuant to Rule 13d-1(b) or 13d-2(b) or (c), check whether the person filing is a:

- (a) o Broker or dealer registered under section 15 of the Act (15 U.S.C. 78o).
- (b) o Bank as defined in section 3(a)(6) of the Act (15 U.S.C. 78c).

- (c) o Insurance company as defined in section 3(a)(19) of the Act (15 U.S.C. 78c).
- (d) o Investment company registered under section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8)
- (e) o An investment adviser in accordance with §240.13d-1(b)(1)(ii)(E);
- (f) o An employee benefit plan or endowment fund in accordance with §240.13d- 1(b)(1)(ii)(F);
- (g) o A parent holding company or control person in accordance with §240.13d- 1(b)(1)(ii)(G);
- (h) o A savings association as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);
- (i) o A church plan that is excluded from the definition of an investment company under section 3(c)(14) of the
Investment Company Act of 1940 (15 U.S.C. 80a-3);
- (j) o Group, in accordance with §240.13d-1(b)(1)(ii)(J)

Not Applicable.

Item 4. Ownership

Reference is made to Rows 5-9 and 11 of each of the cover pages of this Schedule 13G/A and associated footnotes, which Rows and footnotes are incorporated by reference herein.

As of the date set forth on the cover of this Schedule 13G/A, the Reporting Persons held directly the following number of shares of Friendly Ice Cream Corporation's Common Stock:

| REPORTING PERSON | COMMON STOCK DIRECTLY HELD |
|--|-------------------------------|
| Kevin Douglas (1) | 358,146 |
| Douglas Family Trust (2) | 222,304 |
| James Douglas and Jean Douglas Irrevocable Descendants Trust (3) | 186,805 |
| James E. Douglas, III (2) | <u>73,445</u> |
| Total | 840,700 |

- (1) Kevin Douglas and his wife, Michelle Douglas, hold these shares both directly and jointly.
- (2) Kevin Douglas has been granted dispositive power with respect to the shares held by this reporting person.
- (3) Kevin Douglas and his wife, Michelle Douglas, are co-trustees.

Each of the Reporting Persons may be deemed a member of a group within the meaning of Section 13(d)(3) of the Securities Exchange Act of 1934, as amended (the Exchange Act), or Rule 13d-5 promulgated under the Exchange Act with one or more of the other Reporting Persons. Although the Reporting Persons are reporting such securities as if they were members of a group, the filing of this Schedule 13G/A shall not be construed as an admission by any Reporting Person that such Reporting Person is a beneficial owner of any securities other than those directly held by such Reporting Person.

As set forth on the cover pages of this Schedule 13G/A (and the footnotes therein), the beneficial ownership of Kevin Douglas and the other reporting persons hereunder (considered as a group) equaled 10.0% of the Issuer's outstanding shares on July 9, 2004.

Item 5. Ownership of Five Percent or Less of a Class

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following: o

Item 6. Ownership of More Than Five Percent on Behalf of Another Person

Not applicable.

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on by the Parent Holding Company

Not applicable.

Item 8. Identification and Classification of Members of the Group

See Item 4 of this Schedule 13G/A and the Joint Filing Agreement attached hereto as Exhibit A.

Item 9. Notice of Dissolution of Group

Not applicable.

Item 10. Certification

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

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SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: February 14, 2005

/s/ Tim McGaw, as Attorney-in-Fact*

Kevin Douglas

Date: February 14, 2005

/s/ Tim McGaw, as Attorney-in-Fact*

James E. Douglas, III

DOUGLAS FAMILY TRUST

Date: February 14, 2005

By: /s/ Tim McGaw, as Attorney-in-Fact*

Name: James E. Douglas, Jr.

Title: Trustee

Date: February 14, 2005

By: /s/ Tim McGaw, as Attorney-in-Fact*

Name: Jean A. Douglas

Title: Trustee

JAMES DOUGLAS AND JEAN DOUGLAS
IRREVOCABLE DESCENDANTS TRUST

Date: February 14, 2005

By: /s/ Tim McGaw, as Attorney-in-Fact*

Name: Kevin Douglas

Title: Trustee

Date: February 14, 2005

By: /s/ Tim McGaw, as Attorney-in-Fact*

Name: Michelle Douglas

Title: Trustee

* Pursuant to Limited Power of Attorney filed as Exhibit 24 to the Schedule 13G/A (Amendment No. 1) filed February 13, 2004.

EXHIBIT A

JOINT FILING AGREEMENT

This Joint Filing Agreement (this Agreement) hereby confirms the agreement by and among all of the undersigned that the Schedule 13G/A to which this Agreement is attached as Exhibit A with respect to the beneficial ownership of the undersigned of shares of Friendly Ice Cream Corporation s Common Stock is being filed on behalf of each of the undersigned. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Date: February 14, 2005

/s/ Tim McGaw, as Attorney-in-Fact*

Kevin Douglas

Date: February 14, 2005

/s/ Tim McGaw, as Attorney-in-Fact*

James E. Douglas, III
DOUGLAS FAMILY TRUST

Date: February 14, 2005

By: /s/ Tim McGaw, as Attorney-in-Fact*

Name: James E. Douglas, Jr.
Title: Trustee

Date: February 14, 2005

By: /s/ Tim McGaw, as Attorney-in-Fact*

Name: Jean A. Douglas
Title: Trustee

JAMES DOUGLAS AND JEAN DOUGLAS
IRREVOCABLE DESCENDANTS TRUST

Date: February 14, 2005

By: /s/ Tim McGaw, as Attorney-in-Fact*

Name: Kevin Douglas
Title: Trustee

Date: February 14, 2005

By: /s/ Tim McGaw, as Attorney-in-Fact*

Name: Michelle Douglas
Title: Trustee

A-1

* Pursuant to Limited Power of Attorney filed as Exhibit 24 to the Schedule 13G/A (Amendment No. 1) filed February 13, 2004.