

SHELLS SEAFOOD RESTAURANTS INC  
 Form 4  
 May 31, 2006

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
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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 \*  
 Trinad Capital Master Fund Ltd.

2. Issuer Name and Ticker or Trading Symbol

SHELLS SEAFOOD RESTAURANTS INC [SHLL.OB]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
 2121 AVENUE OF THE STARS,  
 SUITE 1650

3. Date of Earliest Transaction (Month/Day/Year)  
 05/25/2006

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

(Street)  
 LOS ANGELES, CA 90067

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

**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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| Common Stock                    | 05/25/2006                           |  | P                              | V Amount \$ 100,000 (A) or (D) A                                  | Price \$ 88,265   | 2,971,548 <sup>(1)</sup>                                 | D   |
| Common Stock                    | 05/25/2006                           |  | P                              | V Amount \$ 0 (A) or (D) A  | Price \$ 0  | 2,971,548 <sup>(2)</sup>                                 | I   |

By Trinad Capital Master Fund, Ltd.

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

SEC 1474 (9-02)

displays a currently valid OMB control number.

**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 Beneficially (Instr. 5) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|--|
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|--|

## Reporting Owners

| Reporting Owner Name / Address   | Relationships |           |         |       |
|--|---------------|-----------|---------|-------|
|  | Director      | 10% Owner | Officer | Other |
| Trinad Capital Master Fund Ltd.<br>2121 AVENUE OF THE STARS, SUITE 1650<br>LOS ANGELES, CA 90067 |               | X         |         |       |
| Trinad Advisors GP, LLC<br>2121 AVENUE OF THE STARS, SUITE 1650<br>LOS ANGELES, CA 90067         |               | X         |         |       |
| Trinad Capital L.P.<br>2121 AVENUE OF THE STARS, SUITE 1650<br>LOS ANGELES, CA 90067             |               | X         |         |       |
| Trinad Management, LLC<br>2121 AVENUE OF THE STARS, SUITE 1650<br>LOS ANGELES, CA 90067          |               | X         |         |       |
| ELLIN ROBERT S<br>2121 AVENUE OF THE STARS, SUITE 1650<br>LOS ANGELES, CA 90067                  |               | X         |         |       |
| Wolf Jay<br>2121 AVENUE OF THE STARS, SUITE 1650<br>LOS ANGELES, CA 90067                        | X             | X         |         |       |

## Signatures

|   |            |
|---|------------|
| Trinad Capital Master Fund, Ltd. By: /s/ Jay Wolf, Director   | 05/31/2006 |
| __Signature of Reporting Person   | Date       |
| Trinad Advisors GP, LLC By: /s/ Robert S. Ellin, Managing Member  | 05/31/2006 |
| __Signature of Reporting Person   | Date       |
| Trinad Advisors GP, LLC, By its general partner of Trinad Capital, LP, By: /s/ Robert S. Ellin, Managing Member | 05/31/2006 |
| __Signature of Reporting Person   | Date       |
| Trinad Management, LLC By: /s/ Robert S. Ellin, Managing Member   | 05/31/2006 |
| __Signature of Reporting Person   | Date       |
| /s/ Robert S. Ellin   | 05/31/2006 |
| __Signature of Reporting Person   | Date       |
| /s/ Jay Wolf  | 05/31/2006 |
| __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 Trinad Capital Master Fund, Ltd. (the "Master Fund") which is a reporting person.
- These securities may be deemed to be beneficially owned by Trinad Management, LLC, the investment manager of the Master Fund; Trinad Capital LP a principal stockholder of the Master Fund; Trinad Advisors GP, LLC, the general partner of Trinad Capital LP; Robert S. Ellin, the managing member of Trinad Management, LLC and the managing member of Trinad Advisors GP, LLC; and Jay Wolf a
- (2) director of the issuer and a member of Trinad Management, LLC and a member of Trinad Advisors GP, LLC. Each such reporting person disclaims beneficial ownership of the reported securities except to the extent of his or its pecuniary interest therein, and this report shall not be deemed an admission that such Reporting Person is the beneficial owner of the securities for purposes of Section 16 of the Securities Exchange Act of 1934, as amended, 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.