

CELADON GROUP INC
Form 4
August 16, 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 *
RUSSELL STEPHEN

(Last) (First) (Middle)

**ONE CELADON DRIVE, 9503
EAST 33RD STREET**

(Street)

INDIANAPOLIS, IN 46235

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading
Symbol

CELADON GROUP INC [CLDN]

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

08/14/2006

4. If Amendment, Date Original
Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

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

Chairman and CEO

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	08/14/2006		M	Amount (1) 100,000 A	Price \$ 1.38 (1)	1,079,344 (1)	D
Common Stock					42,000 (1)	I	By Spouse (2)

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

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SEC 1474
(9-02)

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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)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount Number Shares
Employee Stock Option (Right to Buy)	\$ 1.38 ⁽¹⁾	08/14/2006		M	100,000	⁽³⁾ 04/13/2011	Common Stock 100,000 ⁽¹⁾

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
RUSSELL STEPHEN ONE CELADON DRIVE 9503 EAST 33RD STREET INDIANAPOLIS, IN 46235	X Chairman and CEO

Signatures

/s/ Stephen A. Russell, by Heidi Hornung-Scherr, attorney-in-fact, pursuant to a POA previously filed with the SEC

08/16/2006

__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) The number of shares reported and price per share reflect the February 1, 2006, and June 1, 2006, 3-for-2 stock splits.

The reporting person disclaims beneficial ownership of these securities and this report shall not be deemed an admission that the reporting person is the beneficial owner of such securities for purposes of Section 16 or for any other purpose. The reporting person's spouse owned these shares prior to her marriage to the reporting person.

(3) Original grant was an option to purchase 75,000 shares (pre-February 1, 2006, and June 1, 2006 stock splits) of the issuer's Common Stock, which vested 25,000, 25,000, and 25,000 on each of 4/13/02, 4/13/03, and 4/13/04, respectively.

(4) Upon exercise, the derivative security converts to a one-for-one basis into the issuer's Common Stock.

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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