

GUMBINER ANTHONY J
 Form 4
 May 12, 2005

FORM 4

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

OMB APPROVAL

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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 *
 GUMBINER ANTHONY J

2. Issuer Name and Ticker or Trading Symbol
 HALLWOOD GROUP INC [HWG]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

C/O LE ROCCABELLA, 24
 PRINCESS GRACE AVENUE

(Street)

MONTE CARLO, O9 98000

(City) (State) (Zip)

3. Date of Earliest Transaction (Month/Day/Year)
 05/12/2005

Director 10% Owner
 Officer (give title below) Other (specify below)
 Chairman and CEO

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 Ownership (Instr. 4)
			Code	V Amount (A) or (D) Price			
Common Stock	05/12/2005		M	66,300 A \$ 10.31	917,875	D	
Common Stock	05/12/2005		M	41,850 (1) A \$ 17.37	959,725 (1)	D	
Common Stock	05/12/2005		M	41,850 (1) A \$ 7.83	1,001,575 (1)	D	

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

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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)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Option (right to buy)	\$ 10.31	05/12/2005		M		66,300	05/19/2000 05/18/2010	Common Stock	66,300
Option (right to buy)	\$ 17.37	05/12/2005		M		41,850 ₍₂₎	09/04/1997 09/03/2007	Common Stock	41,850 ₍₂₎
Option (right to buy)	\$ 7.83	05/12/2005		M		41,850 ₍₃₎	09/06/1996 09/05/2006	Common Stock	41,850 ₍₃₎

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
GUMBINER ANTHONY J C/O LE ROCCABELLA 24 PRINCESS GRACE AVENUE MONTE CARLO, O9 98000	X		Chairman and CEO	

Signatures

Anthony J. Gumbiner 05/12/2005

**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) On November 5, 1999, the common stock of The Hallwood Group Incorporated split 3-for-2, resulting in the reporting person's acquisition of 27,900 additional shares of common stock.
- (2) This option was previously reported as covering 27,900 shares at an exercise price of \$26.06 per share, but was adjusted to reflect the stock split on November 5, 1999.

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- (3) This option was previously reported as covering 27,900 shares at an exercise price of \$11.75 per share, but was adjusted to reflect the stock split on November 5, 1999.
- (4) N/A

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.