

RUSSELL STEPHEN  
Form 4  
February 08, 2008

**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 \*  
RUSSELL STEPHEN

2. Issuer Name and Ticker or Trading Symbol  
CELADON GROUP INC [CLDN]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
ONE CELADON DRIVE, 9503  
EAST 33RD STREET  
  
(Street)

3. Date of Earliest Transaction  
(Month/Day/Year)  
02/06/2008

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

INDIANAPOLIS, IN 46235

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

(City) (State) (Zip)

**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)
			Code	V	Amount	(A) or (D)	Price
Common Stock	02/06/2008		P/K <sup>(1)</sup>		393,750	D	Ⓛ
Common Stock	02/06/2008		X/K <sup>(1)</sup>		393,750	A	Ⓛ
Common Stock	02/06/2008		S		121,800	D	\$ 9.7182 Ⓛ
Common Stock	02/06/2008		S		54,000	D	\$ 9.8178 Ⓛ
	02/06/2008		S		21,075	D	970,569

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Common Stock	\$						
	9.9511						
	<u>(1)</u>						
Common Stock		42,000 <u>(2)</u>	I				By Spouse <u>(2)</u>

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 displays a currently valid OMB control number.**

SEC 1474  
(9-02)

**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
Call Option (obligation to sell)	\$ 20.9419	02/06/2008		E/K <sup>(1)</sup>	1	02/25/2008 <sup>(1)</sup>	02/25/2008	Common Stock	393,7
Put Option (right to sell)	\$ 13.5007	02/06/2008		X/K <sup>(1)</sup>	1	02/25/2008 <sup>(1)</sup>	02/25/2008	Common Stock	393,7

## 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 Russell, by Mark A. Scudder, attorney-in-fact, pursuant to a POA previously filed with the SEC

02/08/2008

\_\_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) In connection with the settlement of a put option entered into February 24, 2006 as part of a zero-cost collar arrangement, the reporting person will receive, for each share of stock subject to the option, a cash amount equal to the excess of the exercise price of \$13.5007 per share over the market price obtained under the collar unwind. In connection with the unwinding of the zero-cost collar, the reporting person also retained one-half of the shares subject to the collar (196,875) and disposed of one-half of the shares subject to the collar (196,875), for market price. The 196,875 shares were disposed of for an average price of \$9.77045 per share, which should also approximate the market price under the collar unwind to date. The collar unwind has not been completed and the final market price will not be available until completion. The final market price of the collar unwind will be reported upon completion of the unwind. The related call option will expire unexercised.

(2) 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.

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.