

RUSSELL STEPHEN
Form 4
February 14, 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

(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)
02/12/2008

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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | Code | V | Amount | (A) or (D) | Price |
| Common Stock | 02/12/2008 | | P/K ⁽¹⁾ | | 393,750 | D | Ⓛ |
| Common Stock | 02/12/2008 | | X/K ⁽¹⁾ | | 393,750 | A | Ⓛ |
| Common Stock | | | | | 42,000 | I | Ⓛ |

By Spouse ⁽²⁾

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 Security (Instr. 3 and 4) | Amount of Underlying Security (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|
| Call Option (obligation to sell) | \$ 20.9419 | 02/12/2008 | | E/K ⁽¹⁾ | 1 | 02/25/2008 ⁽¹⁾ 02/25/2008 ⁽¹⁾ | Common Stock | 393 |
| Put Option (right to sell) | \$ 13.5007 | 02/12/2008 | | X/K ⁽¹⁾ | 1 | 02/25/2008 ⁽¹⁾ 02/25/2008 ⁽¹⁾ | Common Stock | 393 |

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

02/14/2008

**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).

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 received, 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 contained under the collar unwind, \$10.30. On the same date, the related call option expired 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.

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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