

HERNANDEZ SERGIO
Form 4
February 08, 2006

FORM 4

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

OMB APPROVAL

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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 *
HERNANDEZ SERGIO

(Last) (First) (Middle)

**ONE CELADON DRIVE, 9503
EAST 33RD ST.**

(Street)

INDIANAPOLIS, IN 46235-4207

(City) (State) (Zip)

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

3. Date of Earliest Transaction
(Month/Day/Year)
02/07/2006

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)

Vice President-Mexico

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 or Price | | |
| Common Stock | 02/07/2006 | | M | | 2,500 <u>(1)</u> | A | \$ 6.125 |
| | | | | | | | 9,300 <u>(1)</u> |
| Common Stock | 02/07/2006 | | S | | 2,500 <u>(1)</u> | D | \$ 31.79 |
| | | | | | | | 6,800 <u>(1)</u> |

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

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(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 Security (Instr. 3 and 4) | Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|
| Employee Stock Option (Right-to-Buy) | \$ 6.125 ⁽¹⁾ | 02/07/2006 | | M | 2,500 ⁽¹⁾ | ⁽²⁾ 12/07/2009 | Common Stock | 2,500 ⁽¹⁾ |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|-----------------------|-------|
| | Director | 10% Owner | Officer | Other |
| HERNANDEZ SERGIO ONE CELADON DRIVE 9503 EAST 33RD ST. INDIANAPOLIS, IN 46235-4207 | | | Vice President-Mexico | |

Signatures

/s/ Sergio Hernandez, by Heidi Hornung-Scherr, attorney-in-fact, pursuant to a POA previously filed with the SEC 02/08/2006

__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 do not reflect the distribution of the 3-for-2 stock split to which all stockholders of record on February 1, 2006 of the issuer are entitled, as the February 15, 2006, distribution date has not passed.
 - (2) Original grant was an option to purchase 4,000 shares of the issuer's Common Stock, which vested 1,334, 1,333, and 1,333 on 12/07/2000, 12/07/2001, and 12/07/2002, respectively. The reporting person previously disposed of 1,500 of the shares subject to the option. Upon exercise, the derivative security converts on 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. 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.