

CELADON GROUP INC
Form 4
August 17, 2006

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

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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 *
WILL PAUL

(Last) (First) (Middle)

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

(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)
08/15/2006

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)
Exec VP, CFO, Asst Sec & Treas

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	(D)	Price
Common Stock	08/15/2006		M		67,500 <u>(1)</u>	A	2.85 <u>(1)</u>
							\$ 204,637 <u>(1)</u>

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

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SEC 1474
(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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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)	Amount or Number of Shares
Employee Stock Option (Right to Buy)	\$ 2.85 ⁽¹⁾	08/15/2006		M	67,500 ⁽¹⁾	⁽²⁾ 04/04/2012 ⁽³⁾	Common Stock	67,500 ⁽¹⁾

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
WILL PAUL ONE CELADON DRIVE 9503 EAST 33RD STREET INDIANAPOLIS, IN 46235-4207			Exec VP, CFO, Asst Sec & Treas	

Signatures

/s/ Paul Will, by Heidi Hornung-Scherr, attorney-in-fact, pursuant to a POA previously filed with the SEC 08/17/2006

__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) Adjusted to give effect to the 02/01/2006 and 06/01/2006 three-for-two stock splits.
- (2) Original grant was an option to purchase 30,000 shares (pre-02/01/2006 and 06/01/2006 three-for-two stock splits) of the Issuer's Common Stock, which vested 10,000, 10,000, and 10,000 on 4/4/2003, 4/4/2004, and 4/4/2005, respectively.
- (3) Upon exercise, the derivative security converts on a one-to-one basis into common stock. The exercise price of the derivative security is set forth in Column 2 of Table II of this report.

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.