

WILL PAUL  
Form 4  
January 23, 2006

**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 \*  
**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)  
**01/19/2006**

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  | (A) or (D)   | Price                             |
| Common Stock                    | 01/19/2006                           |  | M                              |   | 17,500  | A  | \$ 3.75                           |
| Common Stock                    | 01/19/2006                           |  | M                              |   | 1,250   | A  | \$ 3.84                           |

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

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(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 Security (Instr. 3 and 4) | 8. Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|
| Employee Stock Option (Right-to-Buy)       | \$ 3.75  | 01/19/2006                           |  | M                              | 17,500  | <sup>(1)</sup> 11/30/2010                                | Common Stock  | 17,500                        |
| Employee Stock Option (Right-to-Buy)       | \$ 3.84  | 01/19/2006                           |  | M                              | 1,250   | <sup>(2)</sup> 10/01/2011                                | Common Stock  | 1,250                         |

## Reporting Owners

| Reporting Owner Name / Address   | Relationships |           |                                |       |
|--|---------------|-----------|--------------------------------|-------|
|  | Director      | 10% Owner | Officer                        | Other |
| WILL PAUL<br>ONE CELADON DRIVE<br>9503 EAST 33RD STREET<br>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 01/23/2006

\_\_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) Original grant was an option to purchase 25,000 shares of the issuer's Common Stock, which vested 8,334, 8,333, and 8,333 on 11/30/2001, 11/30/2002, and 11/30/2003, respectively. The reporting person previously disposed of 7,500 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.
- (2) Options for 417, 417, and 416 were exercisable on 10/1/2002, 10/1/2003, and 10/1/2004, respectively. 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.