

Andreev Alexei A
Form 4
December 28, 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 *
Andreev Alexei A

2. Issuer Name and Ticker or Trading Symbol
HARRIS & HARRIS GROUP INC
/NY/ [TINY]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

 Director 10% Owner
 Officer (give title below) Other (specify below)
Executive Vice President

(Last) (First) (Middle)
111 WEST 57TH STREET, SUITE 1100

(Street)

3. Date of Earliest Transaction (Month/Day/Year)
12/26/2006

NEW YORK, NY 10019

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 Ownership (Instr. 4) | |
|---------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-------------------------------------------------------------------|---|--------|-----------------------------------------------------------------------------------------------|----------------------------------------------------------|-----------------------------------|------------|
| | | | | Code | V | Amount | | | | (A) or (D) |
| Common Stock | 12/26/2006 | | M | | | 14,913 | \$ 10.11 | 14,913 | D | |
| Common Stock | 12/26/2006 | | S ⁽¹⁾ | | | 14,913 | \$ 12.3402 | 0 | D | |
| Common Stock | 12/26/2006 | | M | | | 545 | \$ 10.11 | 545 | D | |
| Common Stock | 12/27/2006 | | M | | | 10,000 | \$ 10.11 | 10,545 | D | |
| | 12/27/2006 | | S ⁽³⁾ | | | 10,000 | | 545 | D | |

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Common Stock \$ 12.3988
(4)

Common Stock 12/27/2006 M 376 A \$ 10.11 921 D

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)

| 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 or Number of Shares |
| Employee Stock Option (Right to Buy) | \$ 10.11 | 12/26/2006 | | M | 14,913 | 12/26/2006 06/26/2007 | Common Stock 14,913 |
| Employee Stock Option (Right to Buy) | \$ 10.11 | 12/26/2006 | | M | 545 | 12/26/2006 06/26/2016 | Common Stock 545 |
| Employee Stock Option (Right to Buy) | \$ 10.11 | 12/27/2006 | | M | 10,000 | 12/26/2006 06/26/2007 | Common Stock 10,000 |
| Employee Stock Option (Right to Buy) | \$ 10.11 | 12/27/2006 | | M | 376 | 12/26/2006 06/26/2016 | Common Stock 376 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|----------------------------------------------------------------------------|---------------|-----------|--------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Andreev Alexei A 111 WEST 57TH STREET, SUITE 1100 NEW YORK, NY 10019 | | | Executive Vice President | |

Signatures

/s/ Alexei A.
Andreev

12/28/2006

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 sales reported in this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on December 21, 2006.
- (2) Shares were sold for an average price of \$12.3402 in 58 transactions with share prices ranging from \$12.13 to \$12.79.
- (3) The sales reported in this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on December 21, 2006.
- (4) Shares were sold for an average price of \$12.3988 in 67 transactions with share prices ranging from \$12.06 to \$12.61.

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.