

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-8
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

HARRIS & HARRIS GROUP, INC.

(Exact name of registrant as specified in its charter)

New York

(State or other jurisdiction of incorporation or organization)

13-3119827

(I.R.S. Employer Identification No.)

One Rockefeller Plaza, Suite 1430
New York, New York 10020

(Address of principal executive offices)

1988 Long Term Incentive Compensation Plan
(Full title of the plan)

Charles E. Harris
Chairman of the Board
Harris & Harris Group, Inc.

One Rockefeller Plaza, Suite 1430
New York, New York 10020

(Name and address of Agent for Service)

212-332-3600

(Telephone Number of Agent for Service)

CALCULATION OF REGISTRATION FEE

Title of securities to be registered	Amount to be registered	Proposed Maximum offering price per share (1)	Proposed maximum aggregate offering price (1)	Amount of registration fee (2)
Common Stock	1,758,780	\$5.375	\$9,453,442.50	\$3,259.81

(1) Estimated and calculated pursuant to Rule 457(c) and (h) solely for the purpose of calculating the registration fee, on the basis of the average of the high and low prices reported on the NASDAQ National Market System for Harris & Harris Group, Inc. common stock as of the close of business on August 1, 1995. The amount to be registered represents shares to be issued under the Amended 1988 Plan and pursuant to warrants deemed to have been issued under each plan pursuant to the terms of Release No. 21250, the exemptive order issued by the Securities and Exchange Commission on July 25, 1995.

(2) Calculated at the rate of 1/29th of 1 percent, under section 6(b) of the Securities Act of 1933 (15 U.S.C. 77f(b)).

PART II

INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

Item 3. Incorporation of Documents by Reference.

The following documents, filed by the Registrant with the Securities and Exchange Commission under the Securities Exchange Act of 1934, are hereby incorporated by reference into the Registration Statement.

- (a) The Registrant's Semi-Annual Report to Stockholders on Form N-SAR for the fiscal year ended December 31, 1994.
- (b) The Registrant's Report on Form SCH-13D filed on April 26, 1994 disclosing beneficial ownership of more than 5% of certain registered equity securities.
- (c) The Registrant's Report on Form SCH-13G filed on May 15, 1995 disclosing beneficial ownership of more than 5% of certain registered equity securities for a limited category of "persons".
- (d) The Registrant's Semi-Annual Report filed on August 3, 1995 containing unaudited financial information.
- (e) The description of the Registrant's Common Stock contained in the Registrant's Registration Statement on Form 8-A, filed with the Securities and Exchange Commission on February 13, 1984 and any amendments or reports filed thereafter for the purpose of updating such description.

All documents filed by the Registrant pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Securities Exchange Act of 1934, prior to the filing of a post-effective amendment which indicates that all securities offered pursuant to this Registration Statement have been sold or which deregisters all securities then remaining unsold, shall be deemed to be incorporated by reference into the Registration Statement and to be part thereof from the date of filing of such documents.

Any statement contained in a document incorporated or deemed to be incorporated by reference into this Registration Statement shall be deemed to be modified or superseded for purposes of this Registration Statement to the extent that a statement contained in this Registration Statement, or in a document subsequently filed, modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Registration Statement.

Item 4. Description of Securities.

The class of securities offered is registered under Section 12 of the Securities Exchange Act of 1934.

Item 5. Interests and Names of Experts and Counsel.

None.

Item 6. Indemnification of Officers and Directors.

Article VI, Section 6 ("Section 6") to the Registrant's amended By-laws provides for the indemnification of the Registrant's directors, officers, employees, and agents to the fullest extent permitted by applicable New York law or provided by any written agreement between the Registrant and the indemnified person. As permitted by Section 6 and Section 722 of the Business Corporation Law of the State of New York ("BCL"), the Registrant has entered into an indemnification agreement (the "Indemnification Agreements") with each of its directors and executive officers.

Scope of Indemnification Under New York Law. BCL SECTIONS 721-726 provides that a director or officer of a New York corporation who was or is a party or a threatened party to any threatened, pending or completed action, suit or proceeding (i) shall be entitled to indemnification by the corporation for all expenses of litigation when he is successful on the merits; (ii) may be indemnified by the corporation for judgments, fines, and amounts paid in settlement of, and reasonable expenses incurred in, litigation (other than a derivative suit), even if he is not successful on the merits, if he acted in good faith and for a purpose he reasonably believed to be in or not opposed to the best interest of the corporation (and, in criminal proceedings, had no reasonable cause to believe that his conduct was unlawful), and (iii) may be indemnified by the corporation for amounts paid in settlement and reasonable expenses incurred in a derivative suit (i.e., a suit by a shareholder alleging a breach of a duty owed to the corporation by a director or officer) even if he is not successful on the merits, if he acted in good faith, for a purpose which he believed to be in, or not opposed to, the best interest of the corporation. However, no indemnification may be made in accordance with clause (iii) if he is adjudged liable to the corporation, unless a court determines that, despite the adjudication of liability and in view of all of the circumstances, he is entitled to indemnification. The indemnification described in clauses (ii) and (iii) above shall be made only upon a determination by (i) a majority of a quorum of disinterested directors, (ii) independent legal counsel, or (iii) the shareholders, that indemnification is proper because the applicable standard of conduct has been met. The Board of Directors may authorize the advancement of litigation expenses to a director or officer upon receipt of an undertaking by the director or officer to repay the expenses if it is ultimately determined that he is not entitled to be indemnified. The indemnification and advancement of expenses provided for by BCL SECTIONS 721-726 are not deemed exclusive of any rights the indemnitee may have under any by-law, agreement, vote of shareholders or disinterested directors, or otherwise. When any action with respect to indemnification of directors is taken by amendment to the by-laws, resolution of directors, or agreement, the corporation must mail a notice of the action taken to its shareholders of record by the earlier of (i) the date of the next annual meeting, or (ii) fifteen months after the date of the action taken.

The Indemnification Agreements. Pursuant to the Indemnification Agreement, the Registrant would indemnify the indemnified director or executive officer (the "Indemnitee") to the fullest extent permitted by New York law as in effect at the time of execution of the Indemnification Agreement and to such fuller extent as New York law may permit in the future. An Indemnitee would be entitled to receive indemnification against all judgments rendered, fines levied, and other assessments

(including amounts paid in settlement of any claims, if approved by the Registrant), plus all reasonable costs and expenses (including attorneys' fees) incurred in connection with the defense of any threatened, pending, or completed action or proceeding, whether civil, criminal, administrative, or investigative (an "Action"), related to or arising from (i) any actual or alleged act or omission of the Indemnitee at any time as a director, officer, employee, or agent of the Registrant or any of its affiliates or subsidiaries, or (ii) the Indemnitee's past, present, or future status as a director, officer, employee, or agent of the Registrant or any of its affiliates or subsidiaries. An Indemnitee would also be entitled to advancement of all reasonable costs and expenses incurred in the defense of any Action. If the Registrant makes any payment to the Indemnitee under the Indemnification Agreement and it is ultimately determined that the Indemnitee was not entitled to be indemnified, the Indemnitee would be required to repay the Registrant for all amounts paid to the Indemnitee under the Indemnification Agreement. An Indemnitee would not be entitled to indemnification or advancement of expenses under the Indemnification Agreement with respect to any proceeding or claim brought by him against the Registrant.

Item 7. Exemption from Registration Claimed.

Not applicable.

Item 8. Exhibits.

4.1. Restated Certificate of Incorporation (incorporated herein by reference to Exhibit 3(a) to registrant's Annual Report on Form 10-K for the year ended December 31, 1989, File No. 0-11576).

4.2. By-Laws

5.0. Opinion of Skadden, Arps, Slate, Meagher & Flom as to the legality of the securities registered.

23.1. Consent of Skadden, Arps, Slate, Meagher & Flom is contained in their opinion filed as Exhibit 5 hereto.

23.2. Consent of Arthur Andersen LLP

24.0. Power of Attorney is contained in the Signature Page to this Registration Statement.

99.1. Securities and Exchange Commission's Exemptive Order, Release No. 21250, issued to Harris & Harris on July 25, 1995

Item 9. Undertakings.

(a) The undersigned Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the

information set forth in the registration statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement; provided, however, that paragraphs (a)(1)(i) and (a)(1)(ii) do not apply if the registration statement is on Form S-3, Form S-8, and the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed by the Registrant pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof; and

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) The undersigned Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the Registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City

of New York, State of New York, on this 1st day of August, 1995.

HARRIS & HARRIS GROUP, INC.

By /s/Charles E. Harris
Charles E. Harris
Chairman of the Board of
Directors and Chief
Executive Officer

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Charles E. Harris and C. Richard Childress Robert B. Schulz, and each of them, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments to this Registration Statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming that said attorneys-in-fact and agents, or their substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on August 1, 1995.

Signature	Title
/s/Charles E. Harris Charles E. Harris	Chairman of the Board of Directors and Chief Executive Officer
/s/Robert B. Schulz Robert B. Schulz	President and Chief Operating Officer and Chief Compliance Officer
/s/C. Richard Childress C. Richard Childress	Executive Vice President and Chief Financial Officer
/s/David C. Johnson, Jr. David C. Johnson, Jr.	Executive Vice President
/s/Rachel M. Pernia Rachel M. Pernia	Vice President, Treasurer and Controller
/s/C. Wayne Bardin C. Wayne Bardin	Director
/s/G. Morgan Browne G. Morgan Browne	Director
/s/Harry E. Ekblom Harry E. Ekblom	Director
/s/Charles F. Hays Charles F. Hays	Director
/s/Jon J. Masters Jon J. Masters	Director
/s/Glenn E. Mayer Glenn E. Mayer	Director
/s/William R. Polk William R. Polk	Director

/s/Philip M. Skidmore Director
Philip M. Skidmore

/s/James E. Roberts Director
James E. Roberts

EXHIBIT INDEX

Exhibit No.	Description	Page
4.1.	Restated Certificate of Incorporation (incorporated herein by reference to Exhibit 3(a) to registrant's Annual Report on Form 10-K for the year ended December 31, 1989, File No. 0-11576).	
4.2.	By-Laws	
5.0.	Opinion of Skadden, Arps, Slate, Meagher & Flom as to the legality of the securities registered.	
23.1.	Consent of Skadden, Arps, Slate, Meagher & Flom is contained in their opinion filed as Exhibit 5 hereto.	
23.2.	Consent of Arthur Andersen LLP	
24.0.	Power of Attorney is contained in the Signature Page to this Registration Statement.	
99.1.	Securities and Exchange Commission's Exemptive Order, Release No. 21250, issued to Harris & Harris on July 25, 1995.	

Exhibit 4.2

BY-LAWS

OF

HARRIS & HARRIS GROUP, INC.

I certify that the following By-Laws, consisting of nine pages, each of which I have initialed for identification, are the By-Laws:

(1) Adopted, as contemplated by Section 601(a) of the New York Business Corporation Law, as amended, for and on behalf of the shareholders of Harris & Harris Group, Inc. (the "Corporation"), by a written action signed by the Corporation's sole incorporator and dated as of December 1, 1981;

(2) Approved and adopted by the Corporation's Board of Directors by a unanimous written consent in lieu of an organizational meeting dated as of December 1, 1981; and

(3) As amended by the Corporation's Board of Directors (a) at its March 23, 1984, special meeting, (b) by a unanimous written consent of directors dated as of April 13,

1984, (c) at its April 30, 1984, special meeting, (d) at its July 9, 1984, meeting, (e) at its October 19, 1984, meeting, (f) at its July 11, 1985, meeting, (g) at its November 17, 1988, meeting, (h) at its April 25, 1989, meeting; (i) by a unanimous written consent of directors dated June 9, 1992; and (j) at its October 19, 1992 meeting.

/s/Susan Neissa-Carey
Susan Neissa-Carey, Secretary

Dated: August 3, 1995

BY-LAWS
OF
HARRIS & HARRIS GROUP, INC.

ARTICLE I
OFFICES

SECTION 1. PRINCIPAL OFFICE. The principal office of the corporation shall be located in the City, County and State of New York.

SECTION 2. OTHER OFFICES. The corporation may have other offices and places of business, within or without the State of New York, as shall be determined by the directors.

ARTICLE II
SHAREHOLDERS

SECTION 1. PLACE OF MEETINGS. Meetings of the shareholders may be held at such place or places, within or without the State of New York, as shall be fixed by the directors and stated in the notice of the meeting.

SECTION 2. ANNUAL MEETING. The annual meeting of shareholders for the election of directors and the transaction of such other business as may properly come before the meeting shall be held on the date selected by the Board of Directors in each calendar year.⁽¹⁾

SECTION 3. NOTICE OF ANNUAL MEETING. Notice of the annual meeting shall be given to each shareholder entitled to vote, at least ten days prior to the meeting.

SECTION 4. SPECIAL MEETINGS. Special meetings of the shareholders for any purpose or purposes may be called by the President or Secretary.

SECTION 5. NOTICE OF SPECIAL MEETING. Notice of a special meeting, stating the time, place and purpose or purposes thereof, shall be given to each shareholder entitled to vote, at least ten days prior to the meeting. The notice shall also set forth at whose direction it is being issued.

SECTION 6. QUORUM. At any meeting of the shareholders, the holders of a majority of the shares of stock then entitled to vote, shall constitute a quorum for all purposes, except as otherwise provided by law or the Certificate of Incorporation.

¹ As amended at the April 30, 1984, special directors' meeting.

SECTION 7. VOTING. At each meeting of the

shareholders, every holder of stock then entitled to vote may vote in person or by proxy, and, except as may be otherwise provided by the Certificate of Incorporation, shall have one vote for each share of stock registered in his name.

SECTION 8. ADJOURNED MEETINGS. Any meeting of shareholders may be adjourned to a designated time and place by a vote of a majority in interest of the shareholders present in person or by proxy and entitled to vote, even though less than a quorum is so present. No notice of such an adjourned meeting need be given, other than by announcement at the meeting, and any business may be transacted which might have been transacted at the meeting as originally called.

SECTION 9. ACTION BY WRITTEN CONSENT OF SHAREHOLDERS. Whenever by any provision of statute or of the Certificate of Incorporation or of these By-Laws, the vote of shareholders at a meeting thereof is required or permitted to be taken in connection with any corporate action, the meeting and vote of shareholders may be dispensed with, if all the shareholders who would have been entitled to vote upon the action if such meeting were held, shall consent in writing to such corporate action being taken.

ARTICLE III

DIRECTORS

SECTION 1. NUMBER. The number of directors of the corporation shall be determined from time to time by resolutions of the directors, who shall hold office for the term of one year and until their successors are duly elected and qualify. The number of directors may be less than three when all of the shares are owned by less than three shareholders, but in such event the number of directors may not be less than the number of shareholders. Directors need not be shareholders.

SECTION 2. POWERS. The Board of Directors may adopt such rules and regulations for the conduct of its meetings, the exercise of its powers and the management of the affairs of the corporation as it may deem proper, not inconsistent with the laws of the State of New York, the Certificate of Incorporation or these By-Laws.

In addition to the powers and authorities by these By-Laws expressly conferred upon them, the Board of Directors may exercise all such powers of the corporation and do such lawful acts and things except as are by statute, the Certificate of Incorporation or these By-Laws directed or required to be exercised or done by the shareholders.

SECTION 3. MEETING, QUORUM, ACTION WITHOUT MEETING. Meetings of the Board of Directors may be held at any place, either within or outside the State of New York, provided a quorum be in attendance. Except as may be otherwise provided by the Certificate of Incorporation or by the Business Corporation Law, a majority of the directors in office shall constitute a quorum at any meeting of the Board of Directors and the vote of a majority of a quorum of directors shall constitute the act of the Board of Directors.

The Board of Directors may hold an annual meeting, without notice, immediately after the annual meeting of shareholders. Regular meetings of the Board of Directors may be established by a resolution adopted by the Board of Directors. The Chairman of the Board of Directors may call, and at the request of any two directors must call, a special meeting of the Board of Directors, three days notice of which shall be given by overnight United States Mail or by Federal Express or any other private overnight courier service, or two days notice of which shall be given personally or by

telephone, telecopier or telefax (or similar communications equipment), telegram or cable, to each director.(2)

Any one or more members of the Board of Directors or any committee thereof may participate in a meeting of such Board of Directors or Committee by means of a conference telephone call or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time, if before the meeting the Chairman of the Board of Directors or the Chairman of such Committee, as the case

2 As amended at the November 17, 1988, directors' meeting.

may be, determines that an emergency or other extraordinary circumstances exist, making telephone participation in the meeting by one or more directors appropriate. The determination by the Chairman of the Board of Directors or the Chairman of a Committee thereof, as the case may be, that an emergency or other extraordinary circumstances exist, making telephone participation in the meeting by one or more directors appropriate, shall be final and conclusive. Where authorized by the Chairman of the Board of Directors or the Chairman of a Committee thereof, as described above in this paragraph, participation by means of a conference telephone call or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time shall constitute presence in person at the meeting.(3)

Any action required or permitted to be taken by the Board of Directors or any Committee thereof may be taken without a meeting if all members of the Board of Directors or the Committee consent in writing to the adoption of a resolution authorizing the action. The resolution and the written consents thereto by the members of the Board of Directors or Committee shall be filed with the minutes of the meetings of the Board of Directors or Committee.

SECTION 4. VACANCIES, REMOVAL. Except as otherwise provided in the Certificate of Incorporation or in the following paragraph, vacancies occurring in the membership of the Board of Directors, from whatever cause arising (including vacancies occurring by reason of the removal of directors without cause and newly created directorships resulting from any increase in the authorized number of directors), may be filled by a majority vote of the remaining directors, though less than a quorum, or such vacancies may be filled by the shareholders.

Except where the Certificate of Incorporation contains provisions authorizing cumulative voting or the election of one or more directors by class or their election by holders of bonds, or requires all action by shareholders to be by a greater vote, any one or more [of](4) the directors may be removed, (a) either for or without cause, at any time, by vote of the shareholders holding a majority of the outstanding stock of the corporation entitled to vote, present in person or by proxy, at any special meeting of the shareholders or by written consent of all of the shareholders entitled to vote, or (b) for cause, by action of the Board of Directors at any regular or special meeting of the Board of Directors. A vacancy or vacancies occurring from such removal may be filled at the special meeting of shareholders or at a regular or special meeting of the Board of Directors.

SECTION 5. COMMITTEES. The Board of Directors, by resolution adopted by a majority of the entire Board of Directors, may designate from its members an Executive Committee or other committee or committees, each consisting of three or more members, with such powers and authority (to the extent permitted by law) as may be provided in said resolution.

3 As amended at the April 25, 1989, directors' meeting.

4 Apparent typographical error in originally adopted text.

ARTICLE IV

OFFICERS

SECTION 1. EXECUTIVE OFFICERS. The executive officers of the corporation shall be a Chairman of the Board, a President, a Treasurer and a Secretary, all of whom shall be elected annually by the Board of Directors, who shall hold office at the pleasure of the Board of Directors. No one person may serve simultaneously as both President and Secretary of the corporation, but any two or more other offices may be held simultaneously by the same person. All vacancies occurring among any of the officers shall be filled by the Board of Directors.(5)

SECTION 2. OTHER OFFICERS. The Board of Directors may appoint such other officers and agents with such powers and duties as it shall deem necessary.

SECTION 3. THE CHAIRMAN OF THE BOARD. The Chairman of the Board of Directors shall be the chief executive officer of the corporation and, while the Board of Directors is not in session, shall have general management and control of the business and affairs of the corporation. He shall also preside at all meetings of the Board of Directors and shall have and perform such other duties as from time to time may be assigned to him by the Board of Directors.(6)

SECTION 4. THE PRESIDENT. The President, who may but need not be a director, shall, in the absence of a Chairman of the Board, preside at all meetings of the shareholders and directors. He shall have and perform such other duties as from time to time may be assigned to him by the Board of Directors or the Chairman of the Board.(7)

SECTION 5. THE VICE-PRESIDENT. The Vice-President, if one be elected, or if there be more than one, the senior Vice-President as determined by the Board of Directors, in the absence or disability of the President, shall exercise the powers and perform the duties of the President and each Vice-President shall exercise such other powers and perform such other duties as from time to time may be assigned to him by the Board of Directors, the Chairman of the Board, or the President.(8)

5 As amended at the November 17, 1988, directors' meeting.

6 As amended at the November 17, 1988, directors' meeting.

7 As amended at the November 17, 1988, directors' meeting.

8 As amended at the November 17, 1988, directors' meeting.

SECTION 6. THE TREASURER. The Treasurer shall have custody of all funds, securities and evidences of indebtedness of the corporation; he shall receive and give receipts and acquittances for moneys paid in on account of the corporation, and shall pay out of the funds on hand all bills, payrolls, and other just debts of the corporation, of whatever nature, upon maturity; he shall enter regularly in books to be

kept by him for that purpose, full and accurate accounts of all moneys received and paid out by him on account of the corporation, and he shall perform all other duties incident to the office of Treasurer and as may be prescribed by the Board of Directors.

SECTION 7. THE SECRETARY. The Secretary shall keep the minutes of all meetings of the Board of Directors and of the shareholders; he shall attend to the giving and serving of all notices to shareholders and directors or other notice required by law or by these By-Laws; he shall affix the seal of the corporation to deeds, contracts and other instruments in writing requiring a seal, when duly signed or when so ordered by the Board of Directors; he shall have charge of the certificate books and stock books and such other books and papers as the Board of Directors may direct, and he shall perform all other duties incident to the office of Secretary.

SECTION 8. SALARIES. The salaries and other compensation of all officers and employees shall be fixed by the Board of Directors, or by any committee designated from among the directors (in accordance with Article III, Section 5, of the se By-Laws) to handle such compensation matters, and the fact that any officer is a director shall not preclude him from receiving a salary and other compensation as an officer, or from voting upon the resolution providing the same.(9)

ARTICLE V

CAPITAL STOCK

SECTION 1. FORM AND EXECUTION OF CERTIFICATES.

Certificates of stock shall be in such form as required by the Business Corporation Law of New York and as shall be adopted by the Board of Directors. They shall be numbered and registered in the order issued; shall be signed by the Chairman or a Vice-Chairman of the Board of Directors (if any) or by the President or Vice-President and by the Secretary or an Assistant Secretary or the Treasurer or an Assistant Treasurer and may be sealed with the corporate seal or a facsimile thereof. When such a certificate is countersigned by a transfer agent or registered by a registrar, the signatures of any such officers may be facsimile.

SECTION 2. TRANSFER. Transfer of shares shall be made only upon the books of the corporation by the registered holder in person or by attorney, duly authorized, and upon surrender of the certificate or certificates for such shares properly assigned for transfer.

9 As amended by the Unanimous Written Action by Board of Directors dated June 9, 1992.

SECTION 3. LOST OR DESTROYED CERTIFICATES. The holder of any certificate representing shares of stock of the corporation may notify the corporation of any loss, theft or destruction thereof, and the Board of Directors may thereupon, in its discretion, cause a new certificate for the same number of shares, to be issued to such holder upon satisfactory proof of such loss, theft or destruction, and the deposit of indemnity by way of bond or otherwise, in such form and amount and with such surety or sureties as the Board of Directors may require, to indemnify the corporation against any loss or liability by reason of the issuance of such new certificates.

SECTION 4. RECORD DATE. In lieu of closing the books of the corporation, the Board of Directors may fix, in advance, a date, not exceeding fifty days, nor less than ten days, as the record date for the determination of shareholders entitled to receive notice of, or to vote, at any meeting of shareholders, or to consent to any proposal without a meeting,

or for the purpose of determining shareholders entitled to receive payment of any dividends, or allotment of any right, or for the purpose of any other action.

ARTICLE VI

MISCELLANEOUS

SECTION 1. DIVIDENDS. The Board of Directors may declare dividends from time to time upon the capital stock of the corporation from the surplus or net profits available therefor.

SECTION 2. SEAL. The Board of Directors shall provide a suitable corporate seal and shall be used as authorized by the By-Laws.

SECTION 3. FISCAL YEAR. The fiscal year of the corporation shall be determined by the Board of Directors.

SECTION 4. CHECKS, NOTES, ETC. Checks, notes, drafts, bills of exchange and orders for the payment of money shall be signed or endorsed in such manner as shall be determined by the Board of Directors.

The funds of the corporation shall be deposited in such bank or trust company, and checks drawn against such funds shall be signed in such manner as may be determined from time to time by the Board of Directors.

SECTION 5. NOTICE AND WAIVER OF NOTICE. Any notice required to be given under these By-Laws may be waived by the person entitled thereto, in writing, by telecopier or telefax (or similar communications equipment), telegram, cable or radiogram, and the presence of any person at a meeting shall constitute waiver of notice thereof as to such person.(10) (11)

10 As amended at the November 17, 1988, directors' meeting.

ARTICLE VII

AMENDMENTS

SECTION 1. BY SHAREHOLDERS. These By-Laws may be amended at any shareholders' meeting by vote of the shareholders holding a majority (unless the Certificate of Incorporation requires a larger vote) of the outstanding stock having voting power, present either in person or by proxy, provided notice of the amendment is included in the notice or waiver of notice of such meeting.

SECTION 2. BY DIRECTORS. The Board of Directors may also amend these By-Laws at any regular or special meeting of the Board by a majority (unless the Certificate of Incorporation required a larger vote) vote of the entire Board, but any By-Laws so made by the Board of Directors may be altered or repealed by the shareholders.

11 Section 6 "Indemnification" was deleted in its entirety pursuant to a unanimous written consent of directors dated October 19, 1992.

Skadden, Arps, Slate, Meagher & Flom
919 THIRD AVENUE
NEW YORK 10022-3897
(212) 735-3000
FAX: (212) 735-2000

August 25, 1995

Harris & Harris Group, Inc.
One Rockefeller Plaza, Suite 1430
New York, New York 10022

Re: Harris & Harris Group, Inc.
Registration Statement on Form S-8

Gentlemen:

We have acted as special counsel to Harris & Harris Group, Inc., a New York corporation (the "Company"), in connection with the registration statement on Form S-8 (the "Registration Statement") of the Company to be filed with the Securities and Exchange Commission (the "Commission") relating to 1,758,780 shares, subject to adjustment (the "Shares"), of the Company's common stock, par value \$.01 per share (the "Common Stock"). The Shares are issuable upon exercise of stock options (the "Options") issuable under the Company's 1988 Long Term Incentive Compensation Plan (the "Plan") and 343,763 warrants (the "Warrants") held by certain employees of the Company and its subsidiaries.

Pursuant to the terms of Exemptive Order, Release No. 21250 (the "Order"), issued to the Company by the Commission on July 25, 1995, the Warrants are deemed to have been issued pursuant to the Plan and the Options will be issued pursuant to such Plan. The Plan provides for the award of Options to selected employees of the Company and its subsidiaries.

On April 20, 1994, the Board of Directors of the Company determined that it would be in the best interests of the shareholders to elect to be regulated under sections 55 through 65 of the Investment Company Act of 1940 (the "Act") as a business development company ("BDC"). However, the Company needed an exemption from the provisions of sections 18(d), 23(b), 61(a)(3)(B) and 61(b) of the Act. The Company filed an application for such an exemption on July 29, 1994, and amendments thereto on November 3, 1994, and June 29, 1995 (File No. 812-9132). On July 25, 1995, the Commission issued the Order which stated: "Upon the Company's election as a BDC, the order permits the ... warrants to remain exercisable pursuant their terms as if they had been issued pursuant to an executive compensation plan conforming to section 61(a)(3)(B) of the Act."

On July 27, 1995, the Company filed a notification of election on Form N-54A pursuant to section 54(a) of the Act.

This opinion is being delivered in accordance with the requirements of Item 601(b)(5) of Regulation S-K promulgated by the Commission under the Securities Act of 1933, as amended (the "Securities Act").

In connection with this opinion, we have examined and are familiar with originals or copies, certified or otherwise identified to our satisfaction, of (i) the Plan; (ii) the Order; (iii) the Restated and Amended Certificate of Incorporation of the Company and the By-Laws of the Company, in each case as amended to date; (iv) resolutions adopted by the Board of Directors of the Company relating to the Order and the Plan; (v) the proxy statement and certificate of vote relating to the amendments to the Plan adopted by the Company's shareholders at the Annual Meeting of Shareholders held on June 30, 1994; (vi) the Registration Statement

proposed to be filed with the Commission on the date hereof, including the prospectus covering the Shares which is part of such Registration Statement; and (vii) such other documents as we have deemed necessary or appropriate as a basis for the opinion set forth below. In our examination, we have assumed the legal capacity of all natural persons, the authenticity of all documents submitted to us as originals, the conformity to the original documents of all documents submitted to us as certified or photostatic copies and the authenticity of the originals of such latter documents. As to any facts material to this opinion that we did not independently establish or verify, we have relied upon statements and representations of officers and other representatives of the Company and others.

We are admitted to the Bar of the State of New York and express no opinion as to the laws of any other jurisdiction.

Based upon and subject to the foregoing, we are of the opinion that the Shares have been duly and validly authorized and reserved for issuance upon exercise of the Options and the Warrants and, when the Shares are issued upon exercise of the Options and the Warrants in accordance with the terms thereof and of the Plan and the Company has received the full consideration required to be paid upon such exercise, the Shares will have been validly issued and will be fully paid and non-assessable (except insofar as liability may be imposed by Section 630 of the New York Business Corporation Law).

We have assumed that (i) the Options and the Warrants have been duly authorized and issued in accordance with their terms and that the Company has received full consideration therefor and (ii) the certificates evidencing the Shares have been duly and validly countersigned by the then-acting registrar and transfer agent for the Common Stock.

We hereby consent to the filing of this opinion as Exhibit 5 to the Registration Statement. In giving this consent, we do not concede that we are experts within the meaning of the Securities Act or that this consent is required by Section 7 of the Securities Act.

Very truly yours,

/s/ Skadden, Arps, Slate, Meagher & Flom

Exhibit 23.2

Arthur
Andersen

Arthur Andersen & Co, SC

Arthur Andersen LLP

1345 Avenue of the Americas
New York NY 10105

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation by reference in this registration statement of our report dated February 6, 1995 included in Harris & Harris Group, Inc.'s Form N-SAR for the year ended December 31, 1994 and to all references to our Firm included in this registration statement.

Arthur Andersen LLP

Exhibit 99.1

UNITED STATES OF AMERICA
BEFORE THE
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT COMPANY ACT OF 1940
Release No. 21250 / July 25, 1995

In the Matter of :
 :
HARRIS & HARRIS GROUP, INC. :
One Rockefeller Plaza :
New York, NY 10020 :
 :
(812-9132) :
 :
_____ :

ORDER UNDER SECTIONS 6(c) and 61(a) OF THE INVESTMENT COMPANY
ACT OF 1940 GRANTING AN EXEMPTION FROM SECTIONS 18(d), 23(b),
61(a)(3)(B), AND 61(b)

Harris & Harris Group, Inc. filed an application on July 29, 1994, and amendments thereto on November 3, 1994, and June 29, 1995 requesting an order under sections 6(c) and 61(a) of the Act for an exemption from sections 18(d), 23(b), 61(a)(3)(B), and 61(b). Applicant is a closed-end registered investment company that intends to elect business development company ("BDC") status under the Act. Before becoming a registered investment company, applicant issued warrants that currently are held by two of its officers and issued stock options to certain officers and non-employee directors. Upon applicant's election of BDC status, the order permits the options and warrants to remain exercisable pursuant to their terms as if they had been issued pursuant to an executive compensation plan conforming to section 61(a)(3)(B) of the Act.

On June 29, 1995, a notice of the filing of the application was issued (Investment Company Act Release No. 21174). The notice gave interested persons an opportunity to request a hearing and stated that an order disposing of the application would be issued unless a hearing was ordered. No request for a hearing has been filed, and the Commission has not ordered a hearing.

The matter has been considered and it is found, on the basis of the information set forth in the application and the amendments thereto, that granting the requested exemption is appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act. It is also found that the terms of the requested authorization are fair and reasonable and do not involve overreaching of the company or its shareholders.
Accordingly,

IT IS ORDERED, under sections 6(c) and 61(a) of the Act, that the requested exemption from sections 18(d), 23(b), 61(a)(3)(B), and 61(b) is hereby granted, effective forthwith, subject to the conditions contained in the application, as amended.

For the Commission, by the Division of Investment Management,

under delegated authority.

Jonathan G. Katz
Secretary