

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

FORM 8-K

Current Report Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported):

May 13, 2009

HARRIS & HARRIS GROUP, INC.

(Exact name of registrant as specified in its charter)

New York

(State or other jurisdiction
of incorporation)

0-11576

(Commission File Number)

13-3119827

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

**111 West 57th Street
New York, New York 10019**

(Address of principal executive offices and zip code)

Registrant's telephone number, including area code: **(212) 582-0900**

Item 1.01. Entry into a Material Definitive Agreement.

On May 13, 2009, the Compensation Committee of the Board of Directors of Harris & Harris Group, Inc. (the "Company") approved individual non-qualified stock option awards for certain employees of the Company pursuant to the Harris & Harris Group, Inc. 2006 Equity Incentive Plan (the "Plan") at an exercise price of \$4.46, the closing price on the Nasdaq Global Market on the grant day. The awards were also approved by the Board of Directors.

All awards granted to employees vest subject to continued employment with the Company through each applicable vesting date as stated in the award schedule filed herewith as Exhibit 10; provided, however, that the options shall become fully vested and exercisable prior to the date or dates in the award schedule if the Board of Directors were to accept an offer for the sale of substantially all of the Company's assets.

The Compensation Committee utilized a third-party compensation advisory firm to assess the competitiveness of the current compensation levels of the named employees of the Company. As part of this process, the Compensation Committee analyzed the compensation of the named executive officers in light of information regarding the compensation practices of other publicly traded companies and private venture capital and private equity firms, among other factors. All stock option awards to Section 16 reporting executive officers will be subject to stock retention guidelines while such officer remains an employee of the Company. Please see the Company's "Compensation Discussion & Analysis" in the Proxy Statement for the 2009 Annual Meeting of Shareholders filed with the Securities and Exchange Commission on March 19, 2009, for more details about our compensation program.

SFAS 123(R) requires us to record the fair value of these awards on the date of grant as a component of equity. The cost associated with the grants will be expensed over the vesting period of the options with a corresponding increase to our additional paid-in capital. Compensation expense related to the grant of options will increase our total operating expenses and net operating loss. Because the increase to expenses is offset by an increase to our additional paid-in capital, the granting of options itself has no net impact on our net asset value per share. If options are exercised, net asset value per share will decrease if the net asset value per share at the time of exercise is higher than the exercise price; conversely, net asset value per share will increase if the net asset value per share at the time of exercise is lower than the exercise price.

Copies of the Plan are available with the Company's Proxy Statement filed with the Securities and Exchange Commission on April 3, 2006. The stock option awards will be subject to the terms and conditions provided for in the form of stock option agreement filed as Exhibit 10.11 to the Company's Form 10-K for the fiscal year ended December 31, 2008, filed with the Securities and Exchange Commission on March 16, 2009. The award schedule used in connection with the foregoing grant is attached hereto as Exhibit 10.

Item 9. Financial Statements and Exhibits

- (a) Not applicable.
- (b) Not applicable.
- (c) Not applicable.
- (d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
10	Award Schedule

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: May 13, 2009

HARRIS & HARRIS GROUP, INC.

By: /s/ Douglas W. Jamison
Douglas W. Jamison
Chairman and Chief Executive Officer

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
10	Award Schedule

**HARRIS & HARRIS GROUP INC.
OPTION GRANTING, VESTING
AND EXPIRATIONS**

**GRANT DATE FOR ALL OPTIONS:
May 13, 2009**

	Expiration Date of Options	2009	2010	2011	2012	2013	Total Options Granted
JAMISON							
NQSO 2 Years							
50% vest on November 13, 2009	5/13/2011	14,663					
100% vest on May 13, 2010	5/13/2011		14,662				29,325
NOSO 10 Years							
25% vest on 5/13/10	5/13/2019		2,444				
25% vest on 5/13/11	5/13/2019			2,444			
25% vest on 5/13/12	5/13/2019				2,444		
25% vest on 5/13/13	5/13/2019					2,443	9,775
JANSE							
NQSO 2 Years							
50% vest on November 13, 2009	5/13/2011	14,663					
100% vest on May 13, 2010	5/13/2011		14,662				29,325
NOSO 10 Years							
25% vest on 5/13/10	5/13/2019		2,444				
25% vest on 5/13/11	5/13/2019			2,444			
25% vest on 5/13/12	5/13/2019				2,444		
25% vest on 5/13/13	5/13/2019					2,443	9,775
ANDREEV							
NQSO 2 Years							
50% vest on November 13, 2009	5/13/2011	14,663					
100% vest on May 13, 2010	5/13/2011		14,662				29,325
NOSO 10 Years							
25% vest on 5/13/10	5/13/2019		2,444				
25% vest on 5/13/11	5/13/2019			2,444			
25% vest on 5/13/12	5/13/2019				2,444		
25% vest on 5/13/13	5/13/2019					2,443	9,775
WOLFE							
NQSO 2 Years							
50% vest on November 13, 2009	5/13/2011	14,663					
100% vest on May 13, 2010	5/13/2011		14,662				29,325
NOSO 10 Years							
25% vest on 5/13/10	5/13/2019		2,444				
25% vest on 5/13/11	5/13/2019			2,444			
25% vest on 5/13/12	5/13/2019				2,444		
25% vest on 5/13/13	5/13/2019					2,443	9,775
FORMAN							
50% vest on November 13, 2009	5/13/2011	8,250					

13, 2009 100% vest on May 13, 2010	5/13/2011	8,250					16,500
<u>NOSO 10 Years</u>							
25% vest on 5/13/10	5/13/2019	1,375					
25% vest on 5/13/11	5/13/2019		1,375				
25% vest on 5/13/12	5/13/2019			1,375			
25% vest on 5/13/13	5/13/2019				1,375		
						1,375	5,500
<u>USHIO</u>							
50% vest on November 13, 2009	5/13/2011	6,000					
100% vest on May 13, 2010	5/13/2011		6,000				12,000
<u>NOSO 10 Years</u>							
25% vest on 5/13/10	5/13/2019	1,000					
25% vest on 5/13/11	5/13/2019		1,000				
25% vest on 5/13/12	5/13/2019			1,000			
25% vest on 5/13/13	5/13/2019				1,000		
						1,000	4,000
<u>EGAN</u>							
50% vest on November 13, 2009	5/13/2011	1,500					
100% vest on May 13, 2010	5/13/2011		1,500				3,000
<u>NOSO 10 Years</u>							
25% vest on 5/13/10	5/13/2019	250					
25% vest on 5/13/11	5/13/2019		250				
25% vest on 5/13/12	5/13/2019			250			
25% vest on 5/13/13	5/13/2019				250		
						250	1,000
<u>ALL OTHER EMPLOYEES</u>							
<u>NOSO 10 Years</u>							
25% vest on 5/13/10	5/13/2019	400					
25% vest on 5/13/11	5/13/2019		400				
25% vest on 5/13/12	5/13/2019			400			
25% vest on 5/13/13	5/13/2019				400		
						400	1,600
2 Year NQSO		74,402	74,398				148,800
10 Year NQSO			12,801	12,801	12,801	12,797	51,200
Total		74,402	87,199	12,801	12,801		200,000