

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 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 _____ <input checked="" type="checkbox"/> Officer (give title below) _____ Other (specify below) _____ Executive Vice President		
(Last) (First) (Middle) 111 WEST 57TH STREET, SUITE 1100			3. Date of Earliest Transaction (Month/Day/Year) 12/26/2006					
(Street) NEW YORK, NY 10019			4. If Amendment, Date Original Filed (Month/Day/Year)			6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> 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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	12/26/2006		M		14,913	A	\$ 10.11	14,913	D	
Common Stock	12/26/2006		S(1)		14,913	D	\$ 12.3402 (2)	0	D	
Common Stock	12/26/2006		M		545	A	\$ 10.11	545	D	
Common Stock	12/27/2006		M		10,000	A	\$ 10.11	10,545	D	
Common Stock	12/27/2006		S(3)		10,000	D	\$ 12.3988 (4)	545	D	
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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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)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V		Date Exercisable	Expiration Date					
Employee Stock Option (Right to Buy)	\$ 10.11	12/26/2006		M		14,913	12/26/2006	06/26/2007	Common Stock	\$ 0	186,068	D	
Employee Stock Option (Right to Buy)	\$ 10.11	12/26/2006		M		545	12/26/2006	06/26/2016	Common Stock	\$ 0	88,474	D	
Employee Stock Option (Right to Buy)	\$ 10.11	12/27/2006		M		10,000	12/26/2006	06/26/2007	Common Stock	\$ 0	176,068	D	
Employee Stock Option (Right to Buy)	\$ 10.11	12/27/2006		M		376	12/26/2006	06/26/2016	Common Stock	\$ 0	88,098	D	

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
<small>**Signature of Reporting Person</small>	<small>Date</small>

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.

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