

STROME STEPHEN
Form 4
March 02, 2005

FORM 4

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

OMB APPROVAL

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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 *
STROME STEPHEN

(Last) (First) (Middle)
500 KIRTS BOULEVARD
(Street)

TROY, MI 48084

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
HANDLEMAN CO /MI/ [HDL]

3. Date of Earliest Transaction
(Month/Day/Year)
03/01/2005

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)
Chairman of the Board and CEO

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 or Price		
Common stock one cent par value	03/01/2005		M		60,000 A \$ 12.219	256,474 ⁽¹⁾	D
Common stock one cent par value	03/01/2005		F		42,754 ₍₂₎ D \$ 20.805	213,720	D
Common stock one cent par value	03/01/2005		S		1,100 D \$ 20.449	212,620	D

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Common stock one cent par value	03/01/2005	S	200	D	\$ 20.519	212,420	D
Common stock one cent par value	03/01/2005	S	400	D	\$ 20.539	212,020	D
Common stock one cent par value	03/01/2005	S	3,200	D	\$ 20.549	208,820	D
Common stock one cent par value	03/01/2005	S	1,100	D	\$ 20.599	207,720	D
Common stock one cent par value	03/01/2005	S	500	D	\$ 20.609	207,220	D
Common stock one cent par value	03/01/2005	S	1,500	D	\$ 20.619	205,720	D
Common stock one cent par value	03/01/2005	S	1,200	D	\$ 20.639	204,520	D
Common stock one cent par value	03/01/2005	S	1,000	D	\$ 20.649	203,520	D
Common stock one cent par value	03/01/2005	S	900	D	\$ 20.689	202,620	D
Common stock one cent par value	03/01/2005	S	100	D	\$ 20.719	202,520	D
Common stock one cent par value	03/01/2005	S	100	D	\$ 20.729	202,420	D
	03/01/2005	S	1,500	D		200,920	D

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Common stock one cent par value					\$				
					20.759				
Common stock one cent par value	03/01/2005		S	500	D	\$	200,420	D	
						20.769			
Common stock one cent par value	03/01/2005		S	900	D	\$	199,520	D	
						20.779			
Common stock one cent par value	03/01/2005		S	500	D	\$	199,020	D	
						20.799			
Common stock one cent par value	03/01/2005		S	100	D	\$	198,920	D	
						20.809			
Common stock one cent par value	03/01/2005		S	300	D	\$	198,620	D	
						20.849			
Common stock one cent par value	03/01/2005		S	900	D	\$	197,720	D	
						20.899			
Common stock one cent par value							2,112 ⁽³⁾	I	By 401(k) Plan

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)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)
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(Instr. 3, 4, and 5)

			Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee stock option (right to buy)	\$ 12.219	03/01/2005	M				<u>(4)</u>	06/01/2008	Common stock one cent par value	60,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
STROME STEPHEN 500 KIRTS BOULEVARD TROY, MI 48084	X			Chairman of the Board and CEO

Signatures

Stephen Strome by Kenneth P. Kartje
Attorney-In-Fact

03/02/2005

 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) Includes 396 shares of Handleman Company common stock which the reporting person acquired through the Handleman Company Employee Stock Purchase Plan between 12/09/2004 and 03/01/2005.
- (2) Payment of the exercise price and tax liability on the 60,000 options exercised on 03/01/2005 by withholding 42,754 shares of common stock incident to the exercise of the options issued in accordance with rule 16b-3.
- (3) Between 12/09/2004 and 03/01/2005 the reporting person acquired 84 shares of Handleman Company common stock under the Handleman Company 401(k) Plan. The information in this report is based on a 401(k) Plan report dated 03/01/2005.
- (4) Fifty percent of the shares were exercisable on or after 06/02/1999; One hundred percent of the shares were exercisable 06/02/2000.

Remarks:

Exhibit List ----- Exhibit 24 Power of Attorney

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.