FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

| OMB APPROVAL | | | | | | | | |
|--------------------------|-----------|--|--|--|--|--|--|--|
| OMB Number: | 3235-0287 | | | | | | | |
| Estimated average burden | | | | | | | | |
| hours per response: | 0.5 | | | | | | | |

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

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

| 1. Name a | SP/ | 2. Issuer Name and Ticker or Trading Symbol SPAR GROUP INC [SGRP] | | | | | | | | | | | | | erson(s) to 1 | | | | | |
|---|--|---|---|----------|----------------------------------|---|--|------------------------------|---|-----------------------------|------------|---|---|--|---|----------------------------|---|--|--|---|
| (Last) | , | , | Middle) | | | 3. Date of Earliest Transaction (Month/Day/Year) 10/21/2005 | | | | | | | | | | Officer (give title below) | | | Other below) | (specify |
| C/O SPA 580 WH | 4. If A | 4. If Amendment, Date of Original Filed (Month/Day/Year) | | | | | | | | | | 6. Individual or Joint/Group Filing (Check Applicable Line) | | | | | | | | |
| (Street) | TOWN N | Y 1 | 10591 | | | | | | | | | | | | | | filed by One filed by Mor on | | | |
| (City) | (Si | tate) (| Zip) | | | | | | | | | | | | | | | | | |
| | | Tab | le I - N | on-Deriv | vative S | Sec | uritie | s A | cquired | Di | sposed | of, or | Ber | nefici | ally C | wne | ed | | | |
| 1. Title of Security (Instr. 3) 2. Transacti Date (Month/Day | | | | | | Execution Date, | | | | Transaction Code (Instr. | | | Securities Acquired isposed Of (D) (Instr. and 5) | | | ecuri | rities Fricially (E | | Ownership rm: Direct or irect (I) str. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
| | | | | | | | | | Code | V | Amo | mount (A) or (D) | | | e F | Repor ransa | ported Insaction(s) str. 3 and 4) | | su . 4) | (111301. 4) |
| | 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. Transact Code (In 8) | | 5. Numb of Deriva Securi Acqui (A) or Dispo of (D) (Instr. 4 and | ative ities red sed | 6. Date Exercisable ar Expiration Date (Month/Day/Year) | | | d 7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4) | | | 8. Price of Derivativ Security (Instr. 5) | | 9. Number of derivative Securities Beneficially Owned Following Reported Transaction (Instr. 4) | Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) | |
| | | | | | Code | v | (A) | (D) | Date Exercisab | | expiration | Title | o N o | Amount or lumber of Shares | | | | | | |
| Option to buy Common Stock | \$1.65 | 10/21/2005 | | | A | | 6,819 | | 09/30/200 | 5 (| 9/30/2015 | Comm Stock \$.01 p | ar 6 | 6,819 | \$1.0 | 55 | 103,275 | | D | |

Explanation of Responses:

James Segreto, as attorney-infact under Power of Attorney Grant and Confirming Statement dated November 7,

10/21/2005

<u>2002</u>

** Signature of Reporting Person Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.

 $^{^{\}star}$ 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).