

**FORM 5**

**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).

**ANNUAL STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP**

Form 3 Holdings Reported.

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

Form 4 Transactions Reported.

1. Name and Address of Reporting Person* <u>SEGRETO JAMES R</u>  (Last) (First) (Middle) C/O SPAR GROUP INC 560 WHITE PLAINS ROAD, SUITE 210  (Street) TARRYTOWN NY 10591  (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>SPAR GROUP INC [ SGRP ]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable)  Director 10% Owner Officer (give title below) Other (specify below) X CHIEF FINANCIAL OFFICER
	3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year) 12/31/2010	
4. If Amendment, Date of Original Filed (Month/Day/Year)		

**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 at end of Issuer's Fiscal Year (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
				Amount	(A) or (D)	Price			
Common Stock, \$.01 par value	12/30/2010 <sup>(9)</sup>		P4	3,836	A	\$0.71	3,836	D	
Common Stock, \$.01 par value							46,799 <sup>(1)</sup>	I	401(k) Plan

**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 Securities Underlying Derivative Security (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: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)	
					(A)	(D)	Date Exercisable	Expiration Date						Title
Option to buy Common Stock <sup>(8)</sup>	\$0.85	08/06/2009		4J <sup>(2)</sup>		1	11/06/2009	11/06/2018	Common Stock, \$.01 par value	20,000	(10)	11	D	
Option to buy Common Stock <sup>(7)</sup>	\$0.87	08/06/2009		4J <sup>(2)</sup>		1	12/14/2008	12/14/2017	Common Stock, \$.01 par value	15,000	(10)	11	D	
Option to buy Common Stock <sup>(7)</sup>	\$0.76	08/06/2009		4J <sup>(2)</sup>		1	11/08/2008	11/08/2017	Common Stock, \$.01 par value	10,000	(10)	11	D	
Option to buy Common Stock <sup>(7)</sup>	\$1.04	08/06/2009		4J <sup>(2)</sup>		1	03/01/2007	03/01/2016	Common Stock, \$.01 par value	9,000	(10)	11	D	
Option to buy Common Stock <sup>(7)</sup>	\$1.1	08/06/2009		4J <sup>(2)</sup>		1	11/09/2006	11/09/2015	Common Stock, \$.01 par value	10,000	(10)	11	D	
Option to buy Common Stock <sup>(7)</sup>	\$1.26	08/06/2009		4J <sup>(2)</sup>		1	04/14/2006	04/14/2015	Common Stock, \$.01 par value	8,000	(10)	11	D	

**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 Securities Underlying Derivative Security (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: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)	
					(A)	(D)	Date Exercisable	Expiration Date						Title
Option to buy Common Stock <sup>(7)</sup>	\$1.25	08/06/2009		4J <sup>(2)</sup>		1	05/19/2005	05/19/2014	Common Stock, \$.01 par value	4,500	(10)	11	D	
Option to buy Common Stock <sup>(7)</sup>	\$1.3	08/06/2009		4J <sup>(2)</sup>		1	08/02/2002	08/02/2011	Common Stock, \$.01 par value	17,000	(10)	11	D	
Option to buy Common Stock <sup>(7)</sup>	\$1.3	08/06/2009		4J <sup>(2)</sup>		1	08/02/2002	08/02/2011	Common Stock, \$.01 par value	2,000	(10)	11	D	
Option to buy Common Stock <sup>(8)</sup>	\$0.4	08/06/2009		4A <sup>(3)</sup>		9	(4)	08/06/2019	Common Stock, \$.01 par value	95,500	(10)	11	D	
Option to buy Common Stock <sup>(8)</sup>	\$0.4	08/06/2009		4A		1	(5)	08/06/2019	Common Stock, \$.01 par value	25,000	(10)	11	D	
Option to buy Common Stock <sup>(8)</sup>	\$1						(6)	08/05/2020	Common Stock, \$.01 par value	30,000		11 <sup>(1)</sup>	D	

**Explanation of Responses:**

- Beneficial ownership of such shares or options at December 31, 2010.
- Options were voluntarily surrendered to the issuer for cancellation and exchanged on a share-for-share basis for the new options described in footnote (3) below pursuant to the issuer's Offer to Exchange Certain Outstanding Stock Options for New Stock Options dated August 24, 2009, as filed with the SEC in our Schedule TO on August 25, 2009.
- Options received from the issuer for the options voluntarily surrendered to it for the cancellation and exchange described in footnote (2) above.
- Vests and becomes exercisable as to 23,875 shares each on 8/6/2010, 8/6/2011, 8/6/2012 and 8/6/2013.
- Vests and becomes exercisable as to 6,250 shares each on 8/6/2010, 8/6/2011, 8/6/2012 and 8/6/2013.
- Vests and becomes exercisable as to 7,500 shares each on 8/5/2011, 8/5/2012, 8/5/2013 and 8/5/2014.
- Option to buy the issuer's Common Stock pursuant to its 2000 Stock Option Plan, as amended.
- Option to buy the issuer's Common Stock pursuant to its 2008 Stock Compensation Plan, as amended.
- Common Stock purchased by the Administrator of the Employee Stock Purchase Plan from time to time during the period between 12/31/2009 and 12/31/2010.
- Not applicable.

**Remarks:**

/s/ James R. Segreto                      02/14/2011  
 \*\* Signature of Reporting Person      Date

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

\* 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).

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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