

SABRA DOUGLAS
Form 4
August 16, 2010

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

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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 *
SABRA DOUGLAS

2. Issuer Name and Ticker or Trading Symbol
FORWARD INDUSTRIES INC
[FORD]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
7441 BRUNSWICK CIRCLE

(Street)

3. Date of Earliest Transaction
(Month/Day/Year)
08/12/2010

____ Director
____ Officer (give title below) Other (specify below)
former CEO and Director

BOYNTON BEACH, FL 33472

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | Code | V | Amount (A) or (D) Price | | |
| Forward Industries Common Stock | 08/12/2010 | | M | | 10,000 A \$ 2.02 | 10,000 | D |
| Forward Industries Common Stock | 08/12/2010 | | F | | 5,722 (3) D 3.53 (2) | 30,944 (4) | D |

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

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SEC 1474 (9-02)

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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) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| Forward Industries Common Stock Option | \$ 2.02 | 08/12/2010 | | M | 10,000 | 08/10/2010 ⁽¹⁾ 12/11/2019 | Forward Industries Common Stock 10,000 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|-------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| SABRA DOUGLAS 7441 BRUNSWICK CIRCLE BOYNTON BEACH, FL 33472 | | | former CEO and Director | |

Signatures

James McKenna, by Power of Attorney
08/16/2010
**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) The vesting of these options was accelerated to 8/10/2010 in conjunction with Mr. Sabra's Severance and Release Agreement. Original vesting of these shares were as follows: 3,334 vesting on 12/10/2010 3,333 vesting on 12/10/2011 3,333 vesting on 12/10/2012
- (2) \$3.53 represents the closing stock price of FORD on 8/12/2010, the date the net share exercise was submitted.
- (3) 5,722 shares were withheld as payment of exercise price (\$20,200) for 10,000 options (strike price of \$2.02). The number of shares withheld was calculated using the closing stock price on the date of exercise, which was \$3.53 on 8/12/2010.
- (4) Consists of 4,278 shares (representing the net amount of shares issued from 8/12/2010 exercise of options) and 26,666 shares of restricted stock which became fully vested on 8/10/2010 in connection with Mr. Sabra's Seveance and Release Agreement.

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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