

HANDLEMAN CO /MI/  
Form 4  
July 19, 2005

**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, 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 \*  
ALBRECHT MARK J

(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)  
07/18/2005

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

\_\_\_ Director \_\_\_ 10% Owner  
\_X\_ Officer (give title below) \_\_\_ Other (specify below)  
Sr. VP - Human Resources

6. Individual or Joint/Group Filing(Check Applicable Line)  
\_X\_ 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 Indirect Beneficial Ownership (Instr. 4)
			Code	V Amount (A) or (D) Price			
Common stock one cent par value	07/18/2005		M	2,068 A \$ 11.825	11,360 <sup>(1)</sup>	D	
Common stock one cent par value	07/18/2005		F	1,622 <sub>(2)</sub> D \$ 17.15	9,738	D	
Common stock one cent par value					2,485 <sub>(3)</sub>	I	By 401(k) Plan

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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) (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)	Amount or Number of Shares
Employee stock option (right to buy)	\$ 11.825	07/18/2005		M	2,068	06/04/2005 06/03/2012	Common stock one cent par value	2,068

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
ALBRECHT MARK J 500 KIRTS BOULEVARD TROY, MI 48084			Sr. VP - Human Resources	

## Signatures

Mark J. Albrecht by Kenneth P. Kartje  
Attorney-In-Fact  
07/19/2005

\*\*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) Reflects the transfer of 223 shares of Handleman Company common stock by the reporting person to his ex-wife pursuant to a domestic relations order.
- (2) Reflects payment of the exercise price and tax liability on the options exercised on 07/18/2005 by withholding common stock incident to the exercise of the options issued in accordance with rule 16b-3.

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- (3) Between 06/30/2005 and 07/18/2005 the reporting person acquired 399 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 07/18/2005.

**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.

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