

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP**

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

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

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

|  |         |          |   |  |  |   |  |  |
|--|---------|----------|---|--|--|---|--|--|
| 1. Name and Address of Reporting Person*<br><u>HOLLORAN THOMAS E</u> |         |          | 2. Issuer Name and Ticker or Trading Symbol<br><u>FLEXSTEEL INDUSTRIES INC [ FLXS ]</u> |  |  | 5. Relationship of Reporting Person(s) to Issuer<br>(Check all applicable)<br><input checked="" type="checkbox"/> Director 10% Owner<br><input type="checkbox"/> Officer (give title below) Other (specify below) |  |  |
| (Last)   | (First) | (Middle) | 3. Date of Earliest Transaction (Month/Day/Year)<br><u>12/12/2006</u>                   |  |  | 6. Individual or Joint/Group Filing (Check Applicable Line)<br><input checked="" type="checkbox"/> Form filed by One Reporting Person<br><input type="checkbox"/> Form filed by More than One Reporting Person    |  |  |
| <u>P O BOX 877</u>   |         |          | 4. If Amendment, Date of Original Filed (Month/Day/Year)                                |  |  |   |  |  |
| <u>DUBUQUE IA 52004</u>  |         |          |   |  |  |   |  |  |
| (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 Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|------------|--------|---|--|---|
|                                 |                                      |  | Code                           | V | Amount  | (A) or (D) | Price  |   |  |   |
| Common Stock                    |                                      |  |                                |   |   |            | 10,680 | 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) |
|--|--|--------------------------------------|--|--------------------------------|------------------|--|-----|--|-----------------|---|--|--|---|--|
|  |  |                                      |  | Code                           | V                | (A)  | (D) | Date Exercisable   | Expiration Date |   |  |  |   |  |
| Option 12/10/1997                          | \$12.656   |                                      |  |                                |                  |  |     | 12/10/1997   | 12/10/2007      | Common Stock  | 1,000                                      | 1,000  | D   |  |
| Option 12/15/1998                          | \$12.75  |                                      |  |                                |                  |  |     | 12/15/1998   | 12/15/2008      | Common Stock  | 1,000                                      | 1,000  | D   |  |
| Option 12/09/1999                          | \$13.594   |                                      |  |                                |                  |  |     | 12/09/1999   | 12/09/2009      | Common Stock  | 1,000                                      | 1,000  | D   |  |
| Option 12/11/2000                          | \$10.563   |                                      |  |                                |                  |  |     | 12/11/2000   | 12/11/2010      | Common Stock  | 1,000                                      | 1,000  | D   |  |
| Option 12/11/2001                          | \$10.75  |                                      |  |                                |                  |  |     | 12/11/2001   | 12/11/2011      | Common Stock  | 1,000                                      | 1,000  | D   |  |
| Option 12/10/2002                          | \$15.925   |                                      |  |                                |                  |  |     | 12/10/2002   | 12/10/2012      | Common Stock  | 2,500                                      | 2,500  | D   |  |
| Option 12/09/2003                          | \$20.27  |                                      |  |                                |                  |  |     | 12/09/2003   | 12/09/2013      | Common Stock  | 2,500                                      | 2,500  | D   |  |
| Option 12/15/2004                          | \$16.49  |                                      |  |                                |                  |  |     | 12/15/2004   | 12/15/2014      | Common Stock  | 2,500                                      | 2,500  | D   |  |
| Option 12/13/2005                          | \$14.4   |                                      |  |                                |                  |  |     | 12/13/2005   | 12/13/2015      | Common Stock  | 2,500                                      | 2,500  | D   |  |
| Option 12-12-2006                          | \$12.45  | 12/12/2006                           |  |                                | J <sup>(1)</sup> | 2,500  |     | 12/12/2006   | 12/12/2016      | Common Stock  | 2,500                                      | \$12.45<br>2,500   | D   |  |

**Explanation of Responses:**

1. Granted pursuant to the Flexsteel Industries, Inc. 2002 Stock Option Plan.

Thomas Holloran

12/14/2006

\*\* 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.

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.