

FELS JONATHAN
Form 4
December 24, 2008

FORM 4

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

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

OMB APPROVAL

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

(Print or Type Responses)

1. Name and Address of Reporting Person *
FELS JONATHAN

2. Issuer Name **and** Ticker or Trading
Symbol
AVATAR HOLDINGS INC
[AVTR]

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

(Last) (First) (Middle)
AVATAR HOLDINGS INC., 201
ALHAMBRA CIRCLE

3. Date of Earliest Transaction
(Month/Day/Year)
12/22/2008

____ Director ____ 10% Owner
X Officer (give title ____ Other (specify
below) below)
President Avatar Properties

(Street)
CORAL GABLES, FL 33134

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

6. Individual or Joint/Group Filing(Check
Applicable Line)
X 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 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 Indirect Beneficial Ownership (Instr. 4)		
			Code	V	Amount	(A) or (D)	Price		
Common Stock, \$1.00 par value	12/22/2008		M ⁽¹⁾		75,000	A	<u>2</u>	119,908	D
Common Stock, \$1.00 par value	12/22/2008		F		27,292	D	\$ 27.49 <u>(3)</u>	92,616	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)

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 Underlying Security (Instr. 3 and 4)	Amount or Number of Shares
Performance Conditioned Restricted Stock Units	(2)	12/22/2008		C	75,000	12/22/2008 12/22/2008	Common Stock	75,000

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
FELS JONATHAN AVATAR HOLDINGS INC. 201 ALHAMBRA CIRCLE CORAL GABLES, FL 33134	President Avatar Properties

Signatures

Jonathan Fels 12/24/2008

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) Exchange of performance conditioned Restricted Stock Units for performance conditioned restricted shares of Issuer's Common Stock.
- (2) The units convert to Common Stock of the issuer on a 1-for-1 basis.
- (3) Represents 27,292 shares of the Issuer's Common Stock withheld by Issuer in payment of Reporting Person's tax liability upon the exchange of 75,000 performance conditioned Restricted Stock Units at a price of \$27.49 per share.

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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