

SHELLS SEAFOOD RESTAURANTS INC

Form 5

January 10, 2007

FORM 5**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549Check this box if
no longer subject
to Section 16.Form 4 or Form
5 obligations
may continue.See Instruction
1(b).Form 3 Holdings
Reported

Form 4

Transactions

Reported

**ANNUAL 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: 3235-0362Expires: January 31,
2005Estimated average
burden hours per
response... 1.01. Name and Address of Reporting Person *
GALLOWAY BRUCE

(Last) (First) (Middle)

**C/O GALLOWAY CAPITAL
MANAGEMENT LLC, 720
FIFTH AVENUE 10TH FLOOR**

(Street)

2. Issuer Name and Ticker or Trading
Symbol**SHELLS SEAFOOD
RESTAURANTS INC [SHLL]**3. Statement for Issuer's Fiscal Year Ended
(Month/Day/Year)
02/07/20055. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

☐ Director ☒ 10% Owner
☐ Officer (give title below) ☐ Other (specify below)4. If Amendment, Date Original
Filed(Month/Day/Year)

6. Individual or Joint/Group Reporting

(check applicable line)

NEW YORK, NY 10019

(City) (State) (Zip)

☒ 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 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)
Series B Convertible Preferred Stock, \$0.01 par per share	05/24/2005	Â	P	14,342 ⁽¹⁾ A	\$ 15 286,840 ⁽¹⁾	D	Â

Edgar Filing: SHELLS SEAFOOD RESTAURANTS INC - Form 5

Common	02/07/2005	Â	P	31,250	A	\$ 0.16	318,090	I	See Footnote (2)
Common	02/07/2005	Â	P	46,250	A	\$ 0.16	364,340	I	See Footnote (2)
Common	02/07/2005	Â	P	24,100	A	\$ 0.16	388,440	I	See Footnote (3)
Common	02/07/2005	Â	P	193,751	A	\$ 0.16	582,191	D ⁽⁴⁾	Â
Common	05/24/2005	Â	P	1,644,064	A	\$ ⁽⁵⁾	2,226,255	D ⁽⁵⁾	Â
Common	05/24/2005	Â	P	463,800	A	\$ ⁽⁶⁾	2,690,055	I	See Footnote (6)
Common	11/13/2006	Â	P	99,000	A	\$ 0.75	2,789,055	I	See Footnote (7)

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

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 control number.

SEC 2270
(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)
					(A) (D)	Date Exercisable Expiration Date Date	Title Amount Num Shar
Warrant to purchase Common Stock	\$ 1.3	05/24/2005	Â	P	Â 143,420	05/24/2005 05/24/2010	Common Stock, \$0.01 par per share 143

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other
Â Â X Â Â

Reporting Owners

GALLOWAY BRUCE
C/O GALLOWAY CAPITAL MANAGEMENT LLC
720 FIFTH AVENUE 10TH FLOOR
NEW YORK, NY 10019

Signatures

/s/ Bruce
Galloway

01/09/2006

__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) These are listed on an as converted basis. To date the shares of Preferred Stock Series B have not been converted.
- (2) Shares are held in the name of Mr. Galloway's dependent children.
- (3) Shares are held by Rexon Galloway Capital Growth, LLC of which Mr. Galloway is a member.
- (4) 50% of these shares are owned by Mr. Galloway through Galloway Capital Management of which Mr. Galloway is a member.
- (5) Shares held by Mr. Galloway, individually and through his IRA. These shares have been purchased at various times up until 5/24/05.
Shares owned by Strategic Turnaround Equity Partners, LP (Cayman)("STEP"), on investment fund. These shares were primarily
- (6) acquired through transfers of securities to the fund by various limited partners. Mr. Galloway is a managing member of the General Partner of STEP and accordingly may be deemed to beneficially own the shares in STEP.
- (7) Shares were acquired by Strategic Turnaround Equity Partners, LP (Cayman) ("STEP"), an investment fund.
- (8) These are warrants issued in connection with the Convertible Preferred Series B discussed above.

Note: File three copies of this Form, one of which must be manually signed. If space provided is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.