

KLOSTERMAN RONALD J
 Form 4
 December 11, 2007

FORM 4

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

OMB APPROVAL

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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 *
 KLOSTERMAN RONALD J

2. Issuer Name and Ticker or Trading Symbol
 FLEXSTEEL INDUSTRIES INC
 [FLXS]

5. Relationship of Reporting Person(s) to Issuer
 (Check all applicable)

(Last) (First) (Middle)
 P.O. BOX 877
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 12/10/2007

____ Director _____ 10% Owner
 ____ Officer (give title below) ____ Other (specify below)
 President and CEO

DUBUQUE, IA 52004

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 (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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| Common Stock | | | | (A) or (D) | 72,887 | D | |
| Common Stock | 12/10/2007 | | J(1) | V 302 A \$ 12.35 | 4,141 | I | 401K Plan |

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) | | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--------------|----------------------------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| Option 12/09/1999 | \$ 13.25 | | | | | 12/09/1999 | 12/09/2009 | Common Stock | 7,500 |
| Option 12/09/2002 | \$ 15.925 | | | | | 12/09/2002 | 12/09/2012 | Common Stock | 10,750 |
| Option 12/08/2003 | \$ 19.21 | | | | | 12/08/2003 | 11/25/2013 | Common Stock | 12,000 |
| Option 12/14/2004 | \$ 16.49 | | | | | 12/14/2004 | 12/14/2014 | Common Stock | 12,000 |
| Option 12/13/2005 | \$ 14.4 | | | | | 12/13/2005 | 12/13/2015 | Common Stock | 12,000 |
| Option 12/11/2006 | \$ 12.65 | | | | | 12/11/2006 | 12/11/2016 | Common Stock | 15,000 |
| Option 12/10/2007 | \$ 12.35 | 12/10/2007 | | A | 15,000 | 12/10/2007 | 12/10/2017 | Common Stock | 15,000 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|-------------------|-------|
| | Director | 10% Owner | Officer | Other |
| KLOSTERMAN RONALD J P.O. BOX 877 DUBUQUE, IA 52004 | | | President and CEO | |

Signatures

Ronald
Klosterman
12/11/2007
Date

**Signature of Reporting Person

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) Shares beneficially owned through participation in the Company's 401k plan.

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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