

McKenna James Owen III
 Form 4
 December 15, 2009

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 *
 McKenna James Owen III

2. Issuer Name and Ticker or Trading Symbol
 FORWARD INDUSTRIES INC
 [FORD]

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

(Last) (First) (Middle)
 1801 GREEN ROAD, SUITE E
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 12/11/2009

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
 VP and CFO

POMPANO BEACH, FL 33064
 (City) (State) (Zip)

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

6. Individual or Joint/Group Filing(Check Applicable Line)
 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 Ownership (Instr. 4) |
|--|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | Code | V | Amount (D) Price | | |
| Forward Industries Common Stock ⁽¹⁾ | 12/11/2009 | | A ⁽¹⁾ | | 7,500 ⁽¹⁾ \$ 2.02 ⁽²⁾ | 19,500 ⁽³⁾ | D |

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

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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) | Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|
| Forward Industries Common Stock Option | \$ 2.02 ⁽²⁾ | 12/11/2009 | | A | 7,500 | 12/10/2010 ⁽⁴⁾ 12/10/2019 | Forward Industries Common Stock | 7,500 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|------------|-------|
| | Director | 10% Owner | Officer | Other |
| McKenna James Owen III 1801 GREEN ROAD, SUITE E POMPANO BEACH, FL 33064 | | | VP and CFO | |

Signatures

James McKenna 12/15/2009

 Signature of Date
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) These shares are restricted shares granted under the Forward Industries, Inc. Equity Incentive Plan and vest as follows: 2,500 on December 10, 2010 2,500 on December 10, 2011 2,500 on December 10, 2012
- (2) Based on the closing market price on December 11, 2009.
- (3) Includes 8,000 unvested restricted shares previously granted under the Forward Industries Inc. Equity Incentive Plan.
- (4) 2,500 stock options vest on December 10, 2010 2,500 stock options vest on December 10, 2011 2,500 stock options vest on December 10, 2012

Note: File three copies of this Form, one of which must be manually signed. If space 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.