

FORM 4

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

OMB APPROVAL	
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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 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person * ELLEY KHUSRO			2. Issuer Name and Ticker or Trading Symbol ETHAN ALLEN INTERIORS INC [ETH]			5. Relationship of Reporting Person(s) to Issuer (Check all applicable) ____ Director ____ 10% Owner <input checked="" type="checkbox"/> Officer (give title below) _____ Other (specify below) VP Retail Financial Services		
(Last) ELLEY	(First) ALLEN	(Middle) INC.,	3. Date of Earliest Transaction (Month/Day/Year) 01/23/2006					
(Street) DANBURY, CT 06811			4. If Amendment, Date Original Filed(Month/Day/Year)			6. Individual or Joint/Group Filing(Check Applicable Line) <input checked="" type="checkbox"/> 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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	01/23/2006		M		500	A	\$ 26.25	1,583	D	
Common Stock	01/23/2006		M		1,000	A	\$ 30.75	2,583	D	
Common Stock	01/23/2006		M		1,125	A	\$ 38.79	3,708	D	
Common Stock	01/23/2006		M		350	A	\$ 29.55	4,058	D	
Common Stock	01/23/2006		S		500	D	\$ 40.31	3,558	D	
Common Stock	01/23/2006		S		1,000	D	\$ 40.3	2,558	D	
Common Stock	01/23/2006		S		1,125	D	\$ 40.26	1,433	D	
Common Stock	01/23/2006		S		350	D	\$ 40.29	1,083	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)		8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Common Stock	\$ 26.25	01/23/2006		M		500		04/05/2004	04/05/2009	Common Stock	500	\$ 0	1,000	D	
Common Stock	\$ 30.75	01/23/2006		M		1,000		10/01/2004	10/01/2009	Common Stock	1,000	\$ 0	0	D	
Common Stock	\$ 38.79	01/23/2006		M		1,125		04/18/2005	04/18/2012	Common Stock	1,125	\$ 0	375	D	
Common Stock	\$ 29.55	01/23/2006		M		350		04/14/2005	04/14/2013	Common Stock	350	\$ 0	350	D	

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
ELLEY KHUSRO ETHAN ALLEN INC. ETHAN ALLEN DRIVE DANBURY, CT 06811			VP Retail Financial Services	

Signatures

Khusro Elley		01/25/2006
<small>**Signature of Reporting Person</small>		<small>Date</small>

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).

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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