

RELIABILITY INC

Form 4

March 29, 2007

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,
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 *
HARWELL JAMES M

(Last) (First) (Middle)

P.O. BOX 218370

(Street)

HOUSTON, TX 77218-8370

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading
Symbol

RELIABILITY INC [REAL]

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

07/19/2006

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

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

____ Director ____ 10% Owner
____X____ Officer (give title below) ____ Other (specify below)

Chief Operating Officer

6. Individual or Joint/Group Filing(Check
Applicable Line)
____X____ 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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(D)	Price

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	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative Securities Acquired (A) or	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and An Underlying Sec (Instr. 3 and 4)
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(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8)	Disposed of (D) (Instr. 3, 4, and 5)		Date Exercisable	Expiration Date	Title	A N S
			Code V	(A)	(D)				
Option to purchase Reliability Common Stock	\$ 0.21	07/19/2006	A	100,000		01/20/2007	07/18/2016	Common Stock	
Option to purchase Reliability Common Stock	\$ 3.5	02/25/2007	D		13,751	09/01/1997	02/25/2007	Common Stock	
Option to purchase Reliability Common Stock	\$ 4.88	03/28/2007	D		15,000	09/01/1999	02/24/2009	Common Stock	
Option to purchase Reliability Common Stock	\$ 2.57	03/28/2007	D		15,000	06/01/2000	11/10/2009	Common Stock	
Option to purchase Reliability Common Stock	\$ 2.55	03/28/2007	D		30,000	07/05/2002	12/04/2011	Common Stock	
Option to purchase Reliability Common Stock	\$ 1.17	03/28/2007	D		25,000	02/01/2004	07/22/2013	Common Stock	
Option to purchase Reliability Common Stock	\$ 3.5	03/28/2007	D		15,000	06/01/2001	11/14/2010	Common Stock	
Option to purchase Reliability Common Stock	\$ 0.64	03/28/2007	D		20,000	05/11/2005	11/09/2014	Common Stock	

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
HARWELL JAMES M P.O. BOX 218370 HOUSTON, TX 77218-8370			Chief Operating Officer	

Signatures

/s/ James
Harwell

03/29/2007

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).

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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