

HALLWOOD GROUP INC  
Form SC 13G  
February 14, 2008

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

SCHEDULE 13G  
Under the Securities and Exchange Act of 1934  
(Amendment No. \_\_\_\_\_)

Hallwood Group, Inc.

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(Name of Issuer)

Common Stock

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(Title of Class of Securities)

406364406

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(CUSIP Number)

December 31, 2007

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(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

- Rule 13d-1 (b)
- Rule 13d-1 (c)
- Rule 13d-1 (d)

\* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act, but shall be subject to all other provisions of the Act (however, see the Notes.)

CUSIP NO. 406364406 13G

1 Name of Reporting Person / IRS Identification Number:  
Advisory Research, Inc. / 36-2831881

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2 Check the Appropriate Box if a Member of a Group (a) [ ]  
(See Instructions) (b) [ ]

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3 SEC Use Only  
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4 Citizenship or Place of Organization  
Delaware

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Number of  
Shares 5 Sole Voting Power  
227804 Shares

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Beneficially  
Owned By 6 Shared Voting Power  
0 Shares

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Each  
Reporting Person 7 Dispositive Power  
227804 Shares

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With 8 Shared Dispositive Power  
0 Shares

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9 Aggregate Amount Beneficially Owned by Each Reporting Person  
227804 Shares

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10 Check if the Aggregate Amount in Row (9) Excludes Certain  
Shares [ ] (See Instructions)

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11 Percent of Class Represented by Amount in Row (9)  
14.977%

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12 Type of Reporting Person  
IA

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Item 1 (a) Name of Issuer: Hallwood Group, Inc.  
Item 1 (b) Name of Issuer's Principal Executive Offices:  
3710 Rawlins, Ste. 1500  
Dallas, TX 75219

Item 2 (a) Person Filing: Advisory Research, Inc.  
Item 2 (b) Address: 180 North Stetson St., Suite 5500  
Chicago, IL 60601

Item 2 (c) Citizenship: Advisory Research, Inc. is a  
Delaware Corporation

Item 2 (d) Title of Class of Securities: Common Stock  
Item 2 (e) CUSIP Number: 406364406

Item 3 If this statement is filed pursuant to Rules  
13d-1(b) or 13d-2(b), check whether the person  
filing is a:

(a) [ ] Broker or Dealer registered under Section

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15 of the Act

- (b)  Bank as defined in Section 3(a)(6) of the Act
- (c)  Insurance Company as defined in Section 3(a)(19) of the Act
- (d)  Investment Company registered under Section 8 of the Investment Company Act
- (e)  Investment Advisor in accordance with section 240.13d-1(b)(1)(ii)(E)
- (f)  Employee Benefit Plan or Endowment Fund in accordance with section 240.13d-1(b)(1)(ii)(F)
- (g)  Parent Holding Company or Control Person in accordance with section 13d-1(b)(1)(ii)(G)
- (h)  A savings association as defined in section 3(b) of the Federal Deposit Insurance Act
- (i)  A church plan that is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company Act of 1940

Item 4 Ownership

- (a) Amount Beneficially Owned:  
Advisory Research, Inc. 227804 Shares
- (b) Percent of Class 14.977%
- (c) Number of shares as to which reporting person has:
  - (i) Sole Voting Power 227804 Shares
  - (ii) Shared Voting Power 0 Shares
  - (iii) Sole Dispositive Power 227804 Shares
  - (iv) Shared Dispositive Power 0 Shares

Item 5 Ownership of Five Percent or Less of a Class:  
If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following

Item 6 Ownership of More than Five Percent on Behalf of Another Person: Not Applicable

Item 7 Identification and Classification of the Subsidiary Which Acquired the Security being Reported on by the Parent Holding Company: Not Applicable

Item 8 Identification and Classification if Members of the Group: Not Applicable

Item 9 Notice of Dissolution of Group: Not Applicable

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Item 10 Certification

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were acquired and are held in the ordinary course of business and were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of such securities and were not acquired and are not held in connection with or as a participant in any transaction having such purposes or effect.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

02/14/2008

-----  
Date

/s/ Brien M. O'Brien

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Signature

Brien M. O'Brien, Chairman & CEO

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Name/Title