

PAULSON PHOTIOS T
Form 4
October 24, 2008

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 *
PAULSON PHOTIOS T

2. Issuer Name and Ticker or Trading Symbol
VASOMEDICAL INC [VASO.OB]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
738 DAKOTA TRAIL
(Street)
FRANKLIN LAKES, NJ 07417

3. Date of Earliest Transaction
(Month/Day/Year)
09/09/2008

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

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)
				(A) or (D) Price			
Common Stock				V	25,000	D	
Common Stock	09/09/2008		A	250,000	A (4) 275,000	D	

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)

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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 Number Shares
1999 Stock Option Plan	\$ 0.09	11/02/2006		A		150,000		<u>(3)</u>	11/01/2016	Common Stock	150,000
1999 Stock Option Plan, as amended	\$ 1.31	02/20/2004		A		25,000		<u>(2)</u>	10/29/2013	Common Stock	25,000
1999 Stock Option Plan	\$ 0.95	10/28/2004		A		25,000		<u>(1)</u>	10/27/2014	Common Stock	25,000
1999 Stock Option Plan	\$ 1.11	07/13/2004		A		100,000		<u>(1)</u>	07/12/2014	Common Stock	100,000
1999 Stock Option Plan	\$ 0.92	05/28/2003		A		50,000		<u>(2)</u>	05/27/2013	Common Stock	50,000
1999 Stock Option Plan	\$ 0.91	03/28/2003		A		100,000		<u>(2)</u>	03/27/2013	Common Stock	100,000
1999 Stock Option Plan	\$ 0.72	10/21/2002		A		65,000		10/21/2002	10/20/2012	Common Stock	65,000
1999 Stock Option Plan	\$ 3.13	10/10/2001		A		35,000		<u>(2)</u>	10/09/2011	Common Stock	35,000
1999 Stock Option Plan	\$ 3.875	10/11/2000		A		15,000		<u>(2)</u>	10/10/2010	Common Stock	15,000

1999 Stock Option Plan	\$ 3.94	04/24/2000	A	30,000	(2)	04/23/2010	Common Stock	30,000
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Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
PAULSON PHOTIOS T 738 DAKOTA TRAIL FRANKLIN LAKES, NJ 07417		X		

Signatures

/s/ Photios T.
Paulson

10/24/2008

 **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).
- (1) Directors' annual fee.
- (2) Options vest in three equal annual installments.
- (3) One-third vesting immediately, one-third in one year and one-third in two years.
- (4) Director fees.

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.