

ARGYLE SECURITY, INC.
Form 4
January 09, 2009

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 *
MEZZANINE MANAGEMENT LTD

(Last) (First) (Middle)

MML CAPITAL PARTNERS 333 LUDLOW STREET, 2ND FLOOR, NORTH TOWER

(Street)

STAMFORD, CT 06902

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
ARGYLE SECURITY, INC.
[ARGL.OB]

3. Date of Earliest Transaction
(Month/Day/Year)
01/08/2009

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

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		
				Code	V	Amount	

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)	8. Amount or Number of Shares
Series B Convertible Preferred Stock	\$ 1.1	01/08/2009		P	27,273	(1) (1)	Common Stock	(2)

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MEZZANINE MANAGEMENT LTD MML CAPITAL PARTNERS 333 LUDLOW STREET 2ND FLOOR, NORTH TOWER STAMFORD, CT 06902			X	
MEZZANINE MANAGEMENT FUND IV COINVEST A L.P. MML CAPITAL PARTNERS 333 LUDLOW STREET 2ND FLOOR, NORTH TOWER STAMFORD, CT 06902			X	
MEZZANINE MANAGEMENT FUND IV A MML CAPITAL PARTNERS 333 LUDLOW STREET 2ND FLOOR, NORTH TOWER STAMFORD, CT 06902			X	

Signatures

/s/ Dudley R. Cottingham, Authorized Signatory	01/09/2009
**Signature of Reporting Person	Date
/s/ Dudley R. Cottingham, Authorized Signatory	01/09/2009
**Signature of Reporting Person	Date
/s/ Dudley R. Cottingham, Authorized Signatory	01/09/2009
**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) The Series B Convertible Preferred Stock is convertible at any time at the holder's election and has no expiration date.

The Series B Preferred Stock is convertible into 2,727,300 shares of common stock, subject to adjustment for certain anti-dilution protection. The Series A Preferred Stock is convertible into 1,875,000 shares of common stock, subject to adjustment for certain anti-dilution protection. As a result, immediately following this transaction, 4,602,300 shares of common stock will be beneficially owned by the reporting persons through a "group" for purposes of Section 13D of the Exchange Act. The group is composed of the following entities and individuals: Mezzanine Management Fund IV A, L.P. ("Fund IV"), Mezzanine Management Fund IV Coinvest A, L.P. ("Coinvest"), Mezzanine Management Limited ("Mezzanine"), Rory Brooks ("Brooks") and James Read ("Read"). Fund IV shares voting and dispositive power over 4,532,600 of the shares. Coinvest A shares voting and dispositive power over 69,700 of the shares. Mezzanine, Brooks and Read share voting and dispositive power over all 4,602,300 shares.

- (2)

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.