

Dillon Robert Stephen
 Form 4
 September 16, 2011

FORM 4

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

OMB APPROVAL

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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 *
 Dillon Robert Stephen

(Last) (First) (Middle)

216 N.E. 12TH STREET

(Street)

MOORE, OK 73160

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
 Vaughan Foods, Inc. [FOOD]

3. Date of Earliest Transaction
 (Month/Day/Year)
 11/11/2010

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 | (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 (Instr. 3) | 2. Conversion or Exercise Price of | 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 | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Security (Instr. 3 and 4) |
|--|------------------------------------|--------------------------------------|--|--------------------------------|--|--|---|
|--|------------------------------------|--------------------------------------|--|--------------------------------|--|--|---|

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| Derivative Security | | | (D) (Instr. 3, 4, and 5) | | Date Exercisable | Expiration Date | Title | Am or Nu of S |
|---|---------|------------|-----------------------------|-----------|------------------|-----------------|--------------|---------------|
| | | | Code | V (A) (D) | | | | |
| Employee Stock Option (right to buy) | \$ 0.49 | 11/11/2010 | A | 15,000 | 11/11/2010 | 11/11/2020 | Common Stock | 15 |
| Employee Stock Option (right to buy) | \$ 0.38 | 06/21/2011 | A | 5,000 | 06/21/2011 | 06/21/2021 | Common Stock | 5 |
| Employee Stock Option (right to buy) ⁽¹⁾ | \$ 0.69 | 09/16/2011 | D | 10,000 | 11/26/2008 | 11/26/2018 | Common Stock | 10 |
| Employee Stock Option (right to buy) ⁽¹⁾ | \$ 0.49 | 09/16/2011 | D | 15,000 | 11/11/2010 | 11/11/2020 | Common Stock | 15 |
| Employee Stock Option (right to buy) ⁽¹⁾ | \$ 0.38 | 09/16/2011 | D | 5,000 | 06/21/2011 | 06/21/2021 | Common Stock | 5 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| Dillon Robert Stephen 216 N.E. 12TH STREET MOORE, OK 73160 | X | | | |

Signatures

/s/ Robert Stephen Dillon 09/16/2011

⁽¹⁾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).

The reporting person declares that neither the filing of this statement nor anything herein shall be construed as an admission that such person was or is, for the purposes of Section 13(d) of the Securities Exchange Act of 1934, as amended, or any other purpose, (i) acting

(1) (or has agreed or is agreeing to act together with any other person) as a partnership, limited partnership, syndicate, or other group for the purpose of acquiring, holding or disposing of securities of Vaughan Foods, Inc. (the "Issuer") or otherwise with respect to the Issuer or any securities of the Issuer or (ii) a member of any group with respect to the Issuer or any securities of the Issuer;

(2) Not applicable; and

Pursuant to that certain Agreement and Plan of Merger, dated as of July 6, 2011, among the Issuer, Reser's Fine Foods, Inc. and Reser's

(3) Acquisition, Inc., at the effective time of the merger each share of Issuer common stock ("Common Stock") converted into the right to receive \$1.58 in cash and each outstanding option to purchase shares of Common Stock, whether vested or unvested, converted into the right to receive an amount equal to the excess of \$1.58 over the exercise price of such option.

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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