SMART ONLINE INC

Check this box

if no longer

Form 4

January 09, 2012

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB Number:

3235-0287

Expires:

January 31, 2005

0.5

Estimated average burden hours per

OMB APPROVAL

response...

subject to Section 16. Form 4 or

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

(Middle)

(Zip)

See Instruction 1(b).

Form 5

obligations

may continue.

(Print or Type Responses)

1. Name and Address of Reporting Person * Atlas Capital SA

2. Issuer Name and Ticker or Trading Symbol

5. Relationship of Reporting Person(s) to Issuer

SMART ONLINE INC [SOLN]

(Check all applicable)

(First) (Last)

3. Date of Earliest Transaction

(Month/Day/Year) 01/05/2012

Director Officer (give title below)

10% Owner Other (specify

118 RUE DU RHONE

4. If Amendment, Date Original

Filed(Month/Day/Year)

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

GENEVA, V8 CH-1204

(City)

1.Title of

Security

(Instr. 3)

(State) 2. Transaction Date 2A. Deemed

(Street)

(Month/Day/Year) Execution Date, if

(Month/Day/Year)

4. Securities TransactionAcquired (A) or Code Disposed of (D) (Instr. 8) (Instr. 3, 4 and 5)

5. Amount of 6. Ownership Securities Form: Direct Beneficially Owned Following (Instr. 4) Reported

7. Nature of Indirect (D) or Indirect Beneficial Ownership (Instr. 4)

(A) Transaction(s) or (Instr. 3 and 4)

Code V Amount (D) Price

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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 Conversion Security or Exercise (Instr. 3) Price of

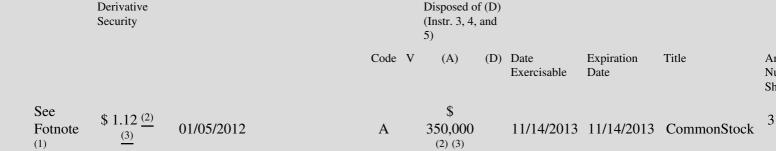
3. Transaction Date 3A. Deemed (Month/Day/Year)

Execution Date, if (Month/Day/Year)

5. Number of 4. **Transaction**Derivative Code Securities (Instr. 8) Acquired (A) or 6. Date Exercisable and **Expiration Date** (Month/Day/Year)

7. Title and Amount of **Underlying Securities** (Instr. 3 and 4)

Edgar Filing: SMART ONLINE INC - Form 4



Reporting Owners

Reporting Owner Name / Address

Director 10% Owner Officer Other

Atlas Capital SA

118 RUE DU RHONE X

GENEVA, V8 CH-1204

Signatures

/s/ Avy Lugassy, Member of
Management

**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) Convertible Secured Subordinated Note due November 14, 2013 (the ?Note?).
 - The Note is convertible into Smart Online, Inc. (the ?Issuer?) common stock at the lowest ?applicable conversion determined for each Note issued to any noteholder,? which shall be calculated by multiplying 120% by the lowest of (a) the average of the high and low prices
- (2) of the Issuer?s common stock on the OTCBB averaged over the 5 trading days prior to the closing date of the Note?s issuance, (b) if the Issuer?s common stock is not traded on the Over-The-Counter market, the closing price of the common stock reported on the principal exchange on which the common stock is listed, averaged over the 5 trading days prior to the closing date of the Note?s issuance, or
- (c) the closing price of the Issuer?s common stock on the OTCBB or the principal exchange on which the common stock is listed, as(3) applicable, on the trading day preceding the date such Note is converted, in each case as adjusted for stock splits, dividends or combinations, recapitalizations or similar events.

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.

Reporting Owners 2