

PAULSON PHOTIOS T  
Form 4  
April 21, 2010

**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)

3. Date of Earliest Transaction  
(Month/Day/Year)  
03/16/2010

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

FRANKLIN LAKES, NJ 07417

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

(City) (State) (Zip)

**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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
|                                 |                                      |  |                                | Code V  | Amount  | (A) or (D)   | Price                             |
| Common Stock                    | 03/16/2010                           |  | A                              |   | 140,784   | A  | (4) 415,784                       |
|                                 |                                      |  |                                |   |   | D  |                                   |

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

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(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<br>Stock<br>Option<br>Plan | \$ 3.94 | 04/24/2000 | A | 30,000 | (2) | 04/23/2010 | Common<br>Stock | 30,000 |
|---------------------------------|---------|------------|---|--------|-----|------------|-----------------|--------|

## Reporting Owners

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

## Signatures

/s/ Photios T.  
Paulson

04/16/2010

        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.