

Zoreff Dror
Form 4
March 30, 2010

FORM 4

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

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

OMB APPROVAL

OMB
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(Print or Type Responses)

1. Name and Address of Reporting Person *
Zoreff Dror

(Last) (First) (Middle)

609 KAPPOCK STREET #7C

(Street)

RIVERDALE, NY 10463

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading
Symbol
SMART ONLINE INC [SOLN]

3. Date of Earliest Transaction
(Month/Day/Year)
03/26/2010

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 Indirect Beneficial Ownership (Instr. 4)
				(A) or (D)			
			Code	V	Amount		Price

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)**

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)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. D S (I)

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Derivative Security			Code	V	or Disposed of (D) (Instr. 3, 4, and 5)		Date Exercisable	Expiration Date	Title	Amount or Number of Shares
					(A)	(D)				
Stock Option (Right to Buy) ⁽¹⁾	\$ 1.14	03/26/2010	A		20,000		<u>(2)</u>	03/26/2020	Common Stock	20,000
Stock Option (Right to Buy) ⁽¹⁾	\$ 1.14	03/26/2010	A		30,000		<u>(2)</u>	03/26/2020	Common Stock	30,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Zoreff Dror 609 KAPPOCK STREET #7C RIVERDALE, NY 10463	X			

Signatures

/s/ Dror Zoreff 03/30/2010

 **Signature of Date
Reporting Person

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 reporting person was granted two nonqualified stock options to purchase an aggregate of 50,000 shares of common stock of Smart Online, Inc. (the "Nonqualified Options") pursuant to Smart Online, Inc.'s 2004 Equity Compensation Plan.
- (2) Exercise of the Nonqualified Options is subject to vesting in quarter-annual increments, with 25% of each of the Nonqualified Options becoming exercisable on each of June 30, 2010, September 30, 2010, December 31, 2010 and March 31, 2011.

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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