

Thomson Craig  
Form 4  
March 15, 2011

**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

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(Print or Type Responses)

1. Name and Address of Reporting Person \*  
Thomson Craig

2. Issuer Name **and** Ticker or Trading  
Symbol  
LML PAYMENT SYSTEMS INC  
[LMLP]

5. Relationship of Reporting Person(s) to  
Issuer

(Check all applicable)

(Last) (First) (Middle)  
1140 W. PENDER ST., SUITE 1680  
(Street)

3. Date of Earliest Transaction  
(Month/Day/Year)  
03/11/2011

\_\_\_\_ Director \_\_\_\_ 10% Owner  
\_\_\_\_X\_\_\_\_ Officer (give title \_\_\_\_ Other (specify  
below) below)  
President

VANCOUVER, A1 V6E 4G1

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

(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 Indirect Beneficial Ownership (Instr. 4)			
			Code	V	Amount	(A) or (D)	Price			
Common	03/11/2011		S <sup>(1)</sup>		10,200	D	\$ 5.1269	1,098,522	I	Owned by 588267 B.C. Ltd.
Common	03/14/2011		S <sup>(1)</sup>		1,000	D	\$ 4.7233	1,097,522	I	Owned by 588267 B.C. Ltd.

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  
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SEC 1474  
(9-02)

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**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 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 or Number of Shares
Incentive Stock Options (right to buy)	\$ 1.62					08/18/2010 <sup>(2)</sup> 08/18/2015	Common 200,000
Incentive Stock Options (right to buy)	\$ 3.9					04/04/2008 <sup>(3)</sup> 10/04/2012	Common 300,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Thomson Craig 1140 W. PENDER ST. SUITE 1680 VANCOUVER, A1 V6E 4G1			President	

## Signatures

/s/ Craig  
Thomson 03/15/2011

\_\_\_\_\_  
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 securities were sold pursuant to a Rule 10b5-1 trading plan entered into March 9, 2011.
- (2) Options exercisable as to 50,000 options on August 18, 2010 and the remaining 150,000 options exercisable as to 25,000 options every 6 months thereafter

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- (3) Options exercisable as to 50,000 options on April 4, 2008 and the remaining 250,000 options exercisable as to 50,000 options every 6 months thereafter.

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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