

SCHAFFRAN LAWRENCE G  
 Form 4  
 March 04, 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 \*  
 SCHAFFRAN LAWRENCE G

(Last) (First) (Middle)

C/O SUBAYE, INC., 349  
 DABEILU, SHIQIAO

(Street)

PANYU, GUANGZHOU,  
 GUANGDONG, F4 511400

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
 SUBAYE, INC. [SBAY]

3. Date of Earliest Transaction  
 (Month/Day/Year)  
 02/10/2010

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 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)	Amount		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	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative Securities	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Security (Instr. 3 and 4)
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	Price of Derivative Security	(Month/Day/Year)	(Instr. 8)	Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Non-Employee Board Member Option (Right to Buy)	\$ 16.05	02/10/2010		23,200 <u>(1)</u>	A				<u>(2)</u>	02/10/2020	Common Stock	23,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SCHAFRAN LAWRENCE G C/O SUBAYE, INC. 349 DABEILU, SHIQIAO PANYU, GUANGZHOU, GUANGDONG, F4 511400	X			

## Signatures

/s/ Larry Schafran  
Date: 03/04/2010

\*\*Signature of 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).  
Non-employee members of the Board of Directors of Subaye, Inc. may elect to receive an option to purchase 20,000 shares of the Company's common stock in lieu of an aggregate annual grant of 10,000 shares of the Company's common stock. Additionally,
  - (1) non-employee members of the Board may elect to receive an option to purchase 3,200 shares of the Company's common stock for serving as a chairperson of a Board committee in lieu of an aggregate annual grant of 1,600 shares of the Company's common stock. Mr. Schafran serves as chair of the Audit Committee.
  - (2) One-fourth of the Shares subject to the option, or 5,800 Shares, shall vest and become exercisable on the first day of each calendar quarter, beginning April 1, 2010.

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.