

SMITH L S
Form 4
November 02, 2011

FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

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 *
SMITH L S

2. Issuer Name and Ticker or Trading Symbol
DGSE COMPANIES INC [DGSE]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
519 INTERSTATE 30, SUITE 243

(Street)

3. Date of Earliest Transaction (Month/Day/Year)
11/01/2011

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

ROCKWALL, TX 75087

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 | (D) | Price |
| Common Stock | 11/01/2011 ⁽¹⁾ | | S ⁽²⁾ | | 219,924 | D | \$ 7.63 |
| Common Stock | 11/01/2011 ⁽¹⁾ | | X | | 577,777 | A | \$ 2.25 |
| Common Stock | 11/01/2011 ⁽¹⁾ | | X | | 267,857 | A | \$ 1.12 |
| Common Stock | 11/01/2011 ⁽¹⁾ | | X | | 100,000 | A | \$ 0.78 |

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

SEC 1474 (9-02)

required to respond unless the form displays a currently valid OMB control number.

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) | 8. Price of Derivative Security (Instr. 5) | | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|----------------------------|----------------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares | |
| Call Option (Right to Buy) | \$ 2.25 | 11/01/2011 ⁽¹⁾ | | X | <u>1</u> ⁽⁴⁾ | 10/08/2001 | ⁽⁵⁾ | Common Stock | 577,777 | ⁽⁶⁾ |
| Call Option (Right to Buy) | \$ 1.12 | 11/01/2011 ⁽¹⁾ | | X | <u>1</u> ⁽⁴⁾ | 11/20/2002 | ⁽⁵⁾ | Common Stock | 267,857 | ⁽⁶⁾ |
| Call Option (Right to Buy) | \$ 0.78 | 11/01/2011 ⁽¹⁾ | | X | <u>1</u> ⁽⁴⁾ | 08/14/2009 | ⁽⁵⁾ | Common Stock | 100,000 | ⁽⁶⁾ |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| SMITH L S 519 INTERSTATE 30, SUITE 243 ROCKWALL, TX 75087 | | X | | |

Signatures

/s/ Dr. L.S.
Smith

11/02/2011

**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 transaction date reported under this Form 4 is the date on which the transaction was reflected on the books and records of the Issuer.
- (2) The Reporting Person tendered shares of the common stock of the Issuer, par value \$0.01 per share (the "Common Stock"), to the Issuer as payment of the aggregate exercise price of options to purchase a total of 945,634 shares of the Common Stock.
- (3) Following the exercise of the Reporting Person's options to purchase a total of 945,634 shares of the Common Stock reported hereunder, the reporting person owns no derivative securities of the Issuer.

The Reporting Person exercised options to purchase a total of 945,634 shares of the Common Stock represented by three Option Agreements: (i) that certain Option Agreement, dated October 8, 2001 (the "2001 Option"), by and between the Issuer and the Reporting Person, granting the Reporting Person the option to purchase a total of 577,777 shares of the Common Stock; (ii) that certain Option Agreement, dated November 20, 2002 (the "2002 Option"), by and between the Issuer and the Reporting Person, granting the Reporting Person the option to purchase a total of 267,857 shares of the Common Stock; and (iii) that certain Option Agreement, dated August 14, 2009 (the "2009 Option"), by and between the Issuer and the Reporting Person, granting the Reporting Person the option to purchase a total of 100,000 shares of the Common Stock.
- (5) Each of the 2001 Option, the 2002 Option and the 2009 Option by their respective terms would expire 180 days after the termination of employment of the Reporting Person by the Issuer.
- (6) Each of the 2001 Option, the 2002 Option and the 2009 Option were granted in consideration for the Reporting Person rendering services to the Issuer.

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.