SMART ONLINE INC
Form 4
January 09, 2012

FORM 4

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

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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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person *
Atlas Capital SA

(Last) (First) (Middle)

118 RUE DU RHONE

(Street)

GENEVA, V8 CH-1204

(City) (State) (Zip)

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

3. Date of Earliest Transaction (Month/Day/Year)
01/05/2012

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ 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)
			Code	V	Amount	(A) or (D)	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 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) or	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)

	Derivative Security			Disposed of (D) (Instr. 3, 4, and 5)							
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Am Nu Sh
See Fotnote (1)	$ 1.12 (2) (3)	01/05/2012		A		$ 350,000 (2) (3)		11/14/2013	11/14/2013	CommonStock	3

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Atlas Capital SA 118 RUE DU RHONE GENEVA, V8 CH-1204		X		

Signatures

/s/ Avy Lugassy, Member of Management	01/09/2012
**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) Convertible Secured Subordinated Note due November 14, 2013 (the ?Note?).

(2) The Note is convertible into Smart Online, Inc. (the ?Issuer?) common stock at the lowest ?applicable conversion determined for each Note issued to any noteholder,? which shall be calculated by multiplying 120% by the lowest of (a) the average of the high and low prices of the Issuer?s common stock on the OTCBB averaged over the 5 trading days prior to the closing date of the Note?s issuance, (b) if the Issuer?s common stock is not traded on the Over-The-Counter market, the closing price of the common stock reported on the principal exchange on which the common stock is listed, averaged over the 5 trading days prior to the closing date of the Note?s issuance, or

(3) (c) the closing price of the Issuer?s common stock on the OTCBB or the principal exchange on which the common stock is listed, as applicable, on the trading day preceding the date such Note is converted, in each case as adjusted for stock splits, dividends or combinations, recapitalizations or similar events.

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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