

Youngblood Sam
Form 4
February 03, 2009

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 *
Youngblood Sam

2. Issuer Name and Ticker or Trading Symbol
ARGYLE SECURITY, INC.
[ARGL]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
12903 DELIVERY DRIVE
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
02/01/2009

____ Director
 Officer (give title below) _____ Other (specify below)
President and Chief Operating

SAN ANTONIO, TX 78247

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 Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | Code | V Amount (A) or (D) Price | | | |
| Common Stock | 01/12/2009 | 01/12/2009 | I ⁽¹⁾ | V 72,305 A \$ 10 | 471,368 | D | |
| Common Stock | 02/01/2009 | 02/01/2009 | J ⁽²⁾ | 30,000 D \$ 0 | 441,638 | D | |
| Common Stock | 01/12/2009 | 01/12/2009 | I ⁽¹⁾ | V 4,591 A \$ 10 | 28,024 | I | Trustee of the Youngblood Charitable Remainder Unitrust |

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 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 |
| Subordinated Convertible Promissory Note | \$ 10 | 01/12/2009 | | I ⁽¹⁾ | V 72,305 | <u>(4)</u> | <u>(4)</u> | Common Stock | 72,305 |
| Subordinated Convertible Promissory Note | \$ 10 | 01/12/2009 | | I ⁽¹⁾ | V 4,591 | <u>(4)</u> | <u>(4)</u> | Common Stock | 4,591 |
| Options to Purchase Common Stock | \$ 1.1 | 02/01/2009 | | A | 50,000 | <u>(3)</u> | 02/01/2019 | Common Stock | 50,000 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|-------------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Youngblood Sam 12903 DELIVERY DRIVE SAN ANTONIO, TX 78247 | | | President and Chief Operating | |

Signatures

/s/ Sam
Youngblood

02/02/2009

**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 Company elected to redeem, in full, the outstanding principal and accrued and unpaid interest on the subordinated convertible promissory at a conversion price of \$10.00 per share.
- (2) Mr. Youngblood forfeited 30,000 shares of restricted stock granted to him on August 1, 2007 and January 25, 2008.
- (3) One-third of these options will become exercisable on each of December 31, 2009, 2010 and 2011.
- (4) Beginning on January 1, 2009, the Issuer had the right to redeem all or part of the promissory note at the rate of one share of Common Stock for each \$10.00 of unpaid principal or unpaid accrued interest.

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.