

TIDEL TECHNOLOGIES INC

Form 4

October 03, 2006

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

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

(Print or Type Responses)

1. Name and Address of Reporting Person *
LAURUS MASTER FUND LTD

2. Issuer Name **and** Ticker or Trading
Symbol
TIDEL TECHNOLOGIES INC
[ATMS]

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

(Last) (First) (Middle)
C/O LAURUS CAPITAL
MANAGEMENT, LLC, 825 THIRD
AVENUE, 14TH FLOOR

3. Date of Earliest Transaction
(Month/Day/Year)
09/30/2006

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

(Street)
NEW YORK, NY 10022

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)
Common Stock, par value \$0.01 per share	10/02/2006		J ⁽¹⁾	19,251,000	D	\$ 0.34	0 ⁽²⁾ ⁽³⁾ ⁽⁴⁾ D ⁽²⁾ ⁽³⁾ ⁽⁴⁾

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

SEC 1474
(9-02)

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 Underlying Security (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable Expiration Date Date	Title Amount Nu Sha
Common Stock Warrants (right to buy)	\$ 0.3	10/02/2006		J ⁽¹⁾	4,250,000	11/25/2003 ⁽⁵⁾ 11/24/2010	Common Stock, par value 4, \$0.01 per share
Common Stock Warrants (right to buy)	\$ 0.3	10/02/2006		J ⁽¹⁾	500,000	11/26/2004 ⁽⁵⁾ 11/26/2011	Common Stock, par value 5, \$0.01 per share

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
LAURUS MASTER FUND LTD C/O LAURUS CAPITAL MANAGEMENT, LLC 825 THIRD AVENUE, 14TH FLOOR NEW YORK,, NY 10022	Former 10% Owner
LAURUS CAPITAL MANAGEMENT LLC 825 THIRD AVENUE, 14TH FLOOR NEW YORK,, NY 10022	Former 10% Owner
GRIN EUGENE C/O LAURUS CAPITAL MANAGEMENT, LLC 825 THIRD AVENUE, 14TH FLOOR NEW YORK,, NY 10022	Former 10% Owner
GRIN DAVID C/O LAURUS CAPITAL MANAGEMENT, LLC 825 THIRD AVENUE, 14TH FLOOR NEW YORK,, NY 10022	Former 10% Owner

Signatures

/s/ Eugene Grin, Director, on behalf of Laurus Master Fund, Ltd.	10/03/2006
__Signature of Reporting Person	Date
/s/ Eugene Grin, Principal, on behalf of Laurus Capital Management, LLC	10/03/2006
__Signature of Reporting Person	Date
/s/ Eugene Grin	10/03/2006
__Signature of Reporting Person	Date
/s/ David Grin	10/03/2006
__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) Pursuant to the terms of a stock redemption agreement, dated as of January 12, 2006, and amended as of February 28, 2006, June 9, 2006, and September 30, 2006 (the "Redemption Agreement"), between Tidel Technologies, Inc., a Delaware corporation (the "Company"), and Laurus Master Fund, Ltd., a Cayman Islands corporation ("Laurus Master Fund"), the Company redeemed on October 2, 2006, all of the 19,251,000 shares of Company common stock, par value \$0.01 per share (the "Common Stock"), held by Laurus Master Fund at a price of \$0.34 per share. Pursuant to the Redemption Agreement, each Company warrant held by Laurus Master Fund was cancelled, without the receipt of any additional consideration by Laurus, on October 2, 2006.

(2) Laurus Master Fund was the holder of all of the Company securities reported herein. Laurus Master Fund is managed by Laurus Capital Management, LLC, a Delaware limited liability company ("Laurus Capital"). Eugene Grin and David Grin, through other entities, are the controlling principals of Laurus Capital, and, subject to the following sentence, shared voting and investment power over all Company securities formerly held by Laurus Master Fund.

(3) The board of directors of Laurus Master Fund appointed Eugene Grin and David Grin as a committee of the board, each member of which was authorized to take any action on behalf of Laurus Master Fund contemplated by, or necessary or desirable to give effect to, any of the agreements entered into by Laurus Master Fund with the Company in connection with the Company's sale of its cash security business to Sentinel Technologies, Inc. (the "Asset Sale"), including, without limitation, the voting of the shares of Common Stock held by Laurus Master Fund in favor of the Asset Sale.

(4) Thus, for the purposes of Reg. Section 240.13d-3, Laurus Capital, Eugene Grin and David Grin were deemed to be beneficial owners of more than 10% of the Company's Common Stock. Each of Laurus Capital, Eugene Grin and David Grin disclaims beneficial ownership of the securities reported herein except to the extent of such person's pecuniary interest in Laurus Master Fund, if any. The filing of this statement by any reporting person shall not be deemed an admission that such person is, for purposes of Section 16 of the Securities Exchange Act of 1934 or otherwise, the beneficial owner of any equity securities covered by the statement.

(5) Under the terms of the warrant, Laurus Master Fund had agreed not to exercise the warrant to the extent that such exercise would have caused Laurus' beneficial ownership of Common Stock determined pursuant to Reg. Section 240.13d-3 to exceed 4.99% of the Company's outstanding shares of Common Stock, which limitation on ownership could have been voided upon 75 days' prior notice to the Company. In addition, Laurus Master Fund had agreed, pursuant to the terms of the Redemption Agreement, to not exercise the warrant until the earlier of (x) September 30, 2006 and (y) the date on which the purchase agreement relating to the Asset Sale was terminated or deemed terminated.

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.