

ESSES STEVEN D
Form 5
February 14, 2011

FORM 5

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

OMB APPROVAL

OMB Number: 3235-0362
Expires: January 31, 2005
Estimated average burden hours per response... 1.0

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Form 3 Holdings Reported Form 4 Transactions Reported

ANNUAL 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

1. Name and Address of Reporting Person *
ESSES STEVEN D

2. Issuer Name and Ticker or Trading Symbol
AROTECH CORP [ARTX]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)
12/31/2010

Director 10% Owner
 Officer (give title below) Other (specify below)
President and COO

1133 EAST 22ND STREET

(Street)

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

6. Individual or Joint/Group Reporting

(check applicable line)

BROOKLYN, NY 11210

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 at end of Issuer's Fiscal Year (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
Common Stock				(A) or (D) Price	750,758 ⁽¹⁾	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 2270 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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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. Amount or Number of Shares
					(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock Option (right to buy)	\$ 11.62	Â	Â	Â	Â	Â	07/22/2003	07/22/2012	Common Stock	595
Stock Option (right to buy)	\$ 11.62	Â	Â	Â	Â	Â	07/22/2004	07/22/2012	Common Stock	595
Stock Option (right to buy)	\$ 11.62	Â	Â	Â	Â	Â	07/22/2005	07/22/2012	Common Stock	595
Stock Option (right to buy)	\$ 8.54	Â	Â	Â	Â	Â	12/31/2003	12/31/2012	Common Stock	238
Stock Option (right to buy)	\$ 8.54	Â	Â	Â	Â	Â	12/31/2004	12/31/2012	Common Stock	238
Stock Option (right to buy)	\$ 8.54	Â	Â	Â	Â	Â	12/31/2005	12/31/2012	Common Stock	238

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
ESSES STEVEN D 1133 EAST 22ND STREET BROOKLYN, NY 11210	Â X	Â	Â President and COO	Â

Signatures

/s/Steven Esses

02/14/2011

**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) Includes (i) 103,334 unvested restricted shares, 13,334 of which vest on the basis of the issuer's financial results for the fiscal year ended December 31, 2010, which have not yet been finalized as of the date of the filing of this report, and 26, 667 of which vest subject to future performance criteria to be established, and (ii) 273,973 shares issued to a trust and to be held in such trust until such time as Mr. Esses shall be entitled to payment of his severance package.

Note: File three copies of this Form, one of which must be manually signed. If space provided 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.