PAULSON PHOTIOS T
Form 4
October 24, 2008

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 *
PAULSON PHOTIOS T

(Last) (First) (Middle)

738 DAKOTA TRAIL

(Street)

FRANKLIN LAKES, NJ 07417

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
VASOMEDICAL INC [VASO.OB]

3. Date of Earliest Transaction (Month/Day/Year)
09/09/2008

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

5. Relationship of Reporting Person(s) to Issuer
(Check all applicable)
__X__ Director _____ 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			
Common Stock								25,000	D	
Common Stock	09/09/2008		A		250,000	A	(4)	275,000	D	

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

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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 Number Shares
1999 Stock Option Plan	$ 0.09	11/02/2006		A		150,000		(3)	11/01/2016	Common Stock	150,00
1999 Stock Option Plan, as amended	$ 1.31	02/20/2004		A		25,000		(2)	10/29/2013	Common Stock	25,000
1999 Stock Option Plan	$ 0.95	10/28/2004		A		25,000		(1)	10/27/2014	Common Stock	25,000
1999 Stock Option Plan	$ 1.11	07/13/2004		A		100,000		(1)	07/12/2014	Common Stock	100,00
1999 Stock Option Plan	$ 0.92	05/28/2003		A		50,000		(2)	05/27/2013	Common Stock	50,000
1999 Stock Option Plan	$ 0.91	03/28/2003		A		100,000		(2)	03/27/2013	Common Stock	100,00
1999 Stock Option Plan	$ 0.72	10/21/2002		A		65,000		10/21/2002	10/20/2012	Common Stock	65,000
1999 Stock Option Plan	$ 3.13	10/10/2001		A		35,000		(2)	10/09/2011	Common Stock	35,000
1999 Stock Option Plan	$ 3.875	10/11/2000		A		15,000		(2)	10/10/2010	Common Stock	15,000

1999 Stock Option Plan	$ 3.94	04/24/2000		A	30,000	(2)	04/23/2010	Common Stock	30,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
PAULSON PHOTIOS T 738 DAKOTA TRAIL FRANKLIN LAKES, NJ 07417	X			

Signatures

/s/ Photios T. Paulson	10/24/2008
**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) Directors' annual fee.

(2) Options vest in three equal annual installments.

(3) One-third vesting immediately, one-third in one year and one-third in two years.

(4) Director fees.

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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