

ARGYLE SECURITY, INC.

Form 4

October 01, 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 *
MEZZANINE MANAGEMENT LTD

(Last) (First) (Middle)

CENTURY HOUSE, 16 PAR LA VILLE ROAD

(Street)

HAMILTON, D0

(City) (State) (Zip)

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

3. Date of Earliest Transaction (Month/Day/Year)
10/01/2009

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)
___ Form filed by One Reporting Person
X 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)
Common Stock	10/01/2009		C	V	Amount: 1,132,700 Price: \$ 8 (1)	5,369,800 (2) D	

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)

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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)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount of Number of Shares
Series A Convertible Preferred Stock	\$ 8 ⁽¹⁾	10/01/2009		C		11,327	04/21/2008 ⁽³⁾	Common Stock	1,132,700

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MEZZANINE MANAGEMENT LTD CENTURY HOUSE, 16 PAR LA VILLE ROAD HAMILTON, D0			X	
MEZZANINE MANAGEMENT FUND IV COINVEST A L.P. CENTURY HOUSE, 16 PAR LA VILLE ROAD HAMILTON, D0			X	
MEZZANINE MANAGEMENT FUND IV A CENTURY HOUSE, 16 PAR LA VILLE ROAD HAMILTON, D0			X	

Signatures

/s/ Christopher C. Morris 10/01/2009

**Signature of Reporting Person Date

/s/ Christopher C. Morris 10/01/2009

**Signature of Reporting Person Date

/s/ Christopher C. Morris 10/01/2009

**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).

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- The Series A Convertible Preferred Stock is convertible into the common stock of Argyle Security, Inc. at a price per share determined by
- (1) dividing the original issue price of the Series A Convertible Preferred Stock (\$800) by the conversion price for the Series A Convertible Preferred Stock (\$8).

Subject to adjustment for certain anti-dilution protection, includes 713,300 shares of common stock issuable upon conversion of additional shares of Series A Convertible Preferred Stock and 2,727,300 shares of common stock issuable upon conversion of Series B
 - (2) Convertible Preferred Stock. The shares of common stock are beneficially owned by the reporting persons through a "group" for purposes of Section 13D of the Exchange Act. The group is composed of the following entities and individuals: Fund IV, Coinvest, and Mezzanine. Fund IV shares voting and dispositive power over 5,300,100 of the shares. Coinvest A shares voting and dispositive power over 69,700 of the shares. Mezzanine has voting and dispositive power over all 5,369,800 shares.
 - (3) The Series A Convertible Preferred Stock has no expiration date.

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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