

Schnell Lonnie D
 Form 4
 August 03, 2010

FORM 4

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

OMB APPROVAL

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

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 *
 Schnell Lonnie D

2. Issuer Name and Ticker or Trading Symbol
 TALON INTERNATIONAL, INC.
 [TALN]

5. Relationship of Reporting Person(s) to Issuer
 (Check all applicable)

(Last) (First) (Middle)
 C/O TALON INTERNATIONAL, INC., 21900 BURBANK BLVD., SUITE 270

3. Date of Earliest Transaction (Month/Day/Year)
 07/30/2010

Director 10% Owner
 Officer (give title below) Other (specify below)
 CEO & CFO

(Street)
 WOODLAND HILLS, CA 91367
 (City) (State) (Zip)

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

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 Ownership (Instr. 4) | | |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|-----|-------|
| | | | | (A) or (D) | Code | V | Amount | (D) | Price |

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 number.

SEC 1474
 (9-02)

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

Edgar Filing: Schnell Lonnie D - Form 4

| 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 Code V | 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 A Underlying S (Instr. 3 and 4) |
|---|---|---|---|---|--|--|--|
| | | | | | (A) (D) | Date Exercisable Expiration Date | Title |
| Restricted Stock Units | (2) | 07/30/2010 | | A | 5,778,500 | (3) (3) | Common Stock |
| Stock Option (Right to Buy) | \$ 0.59 | 07/30/2010 | | D | 400,000 | (1) 01/26/2016 | Common Stock |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|-----------|-------|
| | Director | 10% Owner | Officer | Other |
| Schnell Lonnie D C/O TALON INTERNATIONAL, INC. 21900 BURBANK BLVD., SUITE 270 WOODLAND HILLS, CA 91367 | X | | CEO & CFO | |

Signatures

/s/ Lonnie D.
Schnell

08/03/2010

**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) These options were canceled. These stock options were originally granted on January 26, 2006 and became exercisable with respect to 100,000 shares on January 26, 2007, and with respect to the remaining shares in 36 equal monthly installments thereafter.
- (2) Each restricted stock unit represents a contingent right to receive 1 share of Talon International, Inc. common stock.
Vests 50% on the date which is thirteen months following July 30, 2010 and thereafter 10% will vest on each date which is eighteen,
- (3) twenty-four, thirty, thirty-six and forty-two months following July 30, 2010. Vested shares will be delivered to the reporting person as soon as practicable following the applicable vesting date.

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.