

Nouri Dennis Michael  
Form 4  
January 17, 2007

**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 \*  
Nouri Dennis Michael

2. Issuer Name and Ticker or Trading Symbol  
SMART ONLINE INC [SOLN]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
2530 MERIDAN PARKWAY

3. Date of Earliest Transaction (Month/Day/Year)  
01/12/2007

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

(Street)  
DURHAM, NC 27713

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)			
			Code	V	Amount	(A) or (D)	Price			
Common Stock	01/12/2007		S		301,085	A	\$ 0.1674 (1)	2,540,899	I (2)	See footnote
Common Stock	01/12/2007		J(3)		1,322,015.77	A	(3)	1,422,015.77 (3)	D	
Common Stock								87,043	I (4)	See footnote
Common Stock								16,500	I (5)	See footnote
Common Stock								6,500	I (6)	See footnote



## Edgar Filing: Nouri Dennis Michael - Form 4

(6) Shares held by Dennis Michael Nouri as trustee for Moshe DaBush.

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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