

SMITH L S  
Form 4  
June 03, 2010

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
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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 \*  
SMITH L S

2. Issuer Name and Ticker or Trading Symbol  
DGSE COMPANIES INC [DGSE]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
519 INTERSTATE 30, SUITE 243

3. Date of Earliest Transaction (Month/Day/Year)  
06/02/2010

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

(Street)  
ROCKWALL, TX 75087

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 Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership Indirect Beneficial 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)**

| 1. Title of Derivative Security | 2. Conversion or Exercise | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any | 4. Transaction Code | 5. Number of | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | 8. P Der Sec |
|---------------------------------|---------------------------|--------------------------------------|-----------------------------------|---------------------|--------------|--|---|--------------|
|---------------------------------|---------------------------|--------------------------------------|-----------------------------------|---------------------|--------------|--|---|--------------|

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| (Instr. 3)                       | Price of Derivative Security | (Month/Day/Year) | (Instr. 8) | Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | (Ins) |     |                  |                 |              |                            |
|----------------------------------|------------------------------|------------------|------------|--|-------|-----|------------------|-----------------|--------------|----------------------------|
|                                  |                              |                  | Code       | V  | (A)   | (D) | Date Exercisable | Expiration Date | Title        | Amount or Number of Shares |
| Call option (obligation to sell) | <u>(1)</u>                   | 06/02/2010       | S          |  |       | 1   | <u>(1)</u>       | <u>(1)</u>      | Common Stock | 1,000,000                  |

## Reporting Owners

| Reporting Owner Name / Address                                  | Relationships |           |                  |       |
|---|---------------|-----------|------------------|-------|
|   | Director      | 10% Owner | Officer          | Other |
| SMITH L S<br>519 INTERSTATE 30, SUITE 243<br>ROCKWALL, TX 75087 | X             | X         | CEO and Chairman |       |

## Signatures

/s/ L. S. Smith                      06/03/2010

     \*\*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).
- According to the terms of the option, the exercise price of the option depends upon date the option is exercised, as set forth in that certain
- (1) Option Contract, dated May 25, 2010, by and between the option holder and the Reporting Person, filed as Exhibit 99.2 to the Schedule 13D/A filed with the SEC by the Reporting Person on June 3, 2010.
- The option was sold to the option holder in return for the option holder's grant of an irrevocable proxy, as represented by that certain
- (2) Irrevocable Proxy to Vote Shares, dated May 25, 2010, by and between the option holder and the Reporting Person, filed as Exhibit 99.1 to the Schedule 13D/A filed with the SEC by the Reporting Person on June 3, 2010, over 3,000,000 shares of the common stock of the Issuer, par value \$0.01 per share.

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.