NEON SYSTEMS INC

Form 4 March 01, 2005

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB Number:

3235-0287

Expires:

January 31, 2005

0.5

Estimated average burden hours per

OMB APPROVAL

response...

if no longer subject to Section 16. Form 4 or Form 5

Check this box

obligations may continue. See Instruction

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(b).

1. Name and Address of Reporting Person * **HOLCOMB RICHARD**

2. Issuer Name and Ticker or Trading Symbol

5. Relationship of Reporting Person(s) to Issuer

(Middle)

(Zip)

NEON SYSTEMS INC [NEON]

(Check all applicable)

14100 SOUTHWEST FREEWAY,

(First)

3. Date of Earliest Transaction

(Month/Day/Year) 02/25/2005

Filed(Month/Day/Year)

_X__ Director Officer (give title below)

10% Owner Other (specify

SUITE 500

(Street)

(State)

(City)

(Last)

4. If Amendment, Date Original

6. Individual or Joint/Group Filing(Check Applicable Line)

X Form filed by One Reporting Person Form filed by More than One Reporting

SUGAR LAND, TX 77478

(City)	(State)	(Zip) Tabl	e I - Non-D	Derivative (Securi	ities Acqu	ired, Disposed of	, or Beneficial	ly Owned
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transactic Code (Instr. 8)	4. Securit on(A) or Dis (Instr. 3, 4)	sposed	of (D)	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	02/25/2005		M	13,800	A	\$ 0.01	13,800	D	
Common Stock	02/25/2005		S(1)	5,750	D	\$ 3.125	8,050	D	

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

Persons who respond to the collection of **SEC 1474** information contained in this form are not (9-02)required to respond unless the form displays a currently valid OMB control number.

Edgar Filing: NEON SYSTEMS INC - Form 4

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. Transactic Code (Instr. 8)	5. Number of orDerivative 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 Underlying Securities (Instr. 3 and 4)	
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title	Amour or Numbe of Shar
Option to Purchase Common Stock	\$ 3.125	02/25/2005		M	13,800	11/11/1997 <u>(2)</u>	11/11/2007	Common Stock	13,80

Reporting Owners

Reporting Owner Name / Address	Relationships					
1 8	Director	10% Owner	Officer	Other		
HOLCOMB RICHARD						
14100 SOUTHWEST FREEWAY, SUITE 500	X					
SUGAR LAND TX 77478						

Signatures

Richard 03/01/2005 Holcomb

**Signature of Date Reporting Person

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) Sale pursuant to a divorce settlement decree.

Granted undet NEON Systems 1993 Stock Plan: Sixty-six percent of options vesting immediately upon the date of grant and the remainder of the options vesting January 12, 1999, providing the Optionee has continuously served in the capacity of employee, officer or

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.

Reporting Owners 2