

MobileSmith, Inc.  
Form 4  
November 13, 2013

**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 \*  
Lugassy Avy

(Last) (First) (Middle)

126 CHEMIN DES HAUTS CRETS,  
1253

(Street)

VANDOEUVRES,  
GENEVA, V8 00000

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
MobileSmith, Inc. [MOST]

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

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)  
\_X\_ 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 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.

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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)**

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 Derivative Securities Acquired	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Security (Instr. 3 and 4)
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(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8)	(A) or Disposed of (D) (Instr. 3, 4, and 5)	Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount Number Shares
See Footnote (1)	\$ 0.82 <sup>(2)</sup>	11/11/2013	A	\$ 13,826,282					11/01/2013	11/14/2016	Common Stock	24,2

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Lugassy Avy 126 CHEMIN DES HAUTS CRETS, 1253 VANDOEUVRES, GENEVA, V8 00000		X		

## Signatures

/s/ Avy Lugassy  
11/13/2013

\_\_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) Convertible Secured Subordinated Notes due November 14, 2016 (the "Notes").

The Notes are convertible into MobileSmith, Inc. (the "Issuer") common stock at the lowest "applicable conversion price" determined for each Note issued to any noteholder, which shall be the greater of: (i) \$0.50 or (ii) 80% of the lowest closing price of the Issuer's common stock on the Over-The-Counter Bulletin Board, the Nasdaq Stock Market or the principal exchange on which the common stock is then listed in the twelve-month period immediately preceding the date such Note is converted (in each case, as adjusted for stock splits, dividends or combinations, recapitalizations or similar events). The conversion price in column 2 is the conversion price on the date of acquisition by Grasford Investments Ltd. and the number of underlying shares in column 7 is based on such conversion price.

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.