

Thomson Craig
Form 4
March 15, 2011

FORM 4

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

OMB APPROVAL

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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 *
Thomson Craig

2. Issuer Name and Ticker or Trading Symbol
LML PAYMENT SYSTEMS INC
[LMLP]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
1140 W. PENDER ST., SUITE 1680

(Street)

3. Date of Earliest Transaction (Month/Day/Year)
03/11/2011

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
President

VANCOUVER, A1 V6E 4G1

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 Ownership (Instr. 4)			
			Code	V	Amount	(A) or (D)	Price			
Common	03/11/2011		S ⁽¹⁾		10,200	D	\$ 5.1269	1,098,522	I	Owned by 588267 B.C. Ltd.
Common	03/14/2011		S ⁽¹⁾		1,000	D	\$ 4.7233	1,097,522	I	Owned by 588267 B.C. Ltd.

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

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SEC 1474 (9-02)

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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. Transaction Code (Instr. 8)	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 Amount of Underlying Securities (Instr. 3 and 4)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Incentive Stock Options (right to buy)	\$ 1.62					08/18/2010 ⁽²⁾	08/18/2015	Common	200,000
Incentive Stock Options (right to buy)	\$ 3.9					04/04/2008 ⁽³⁾	10/04/2012	Common	300,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Thomson Craig 1140 W. PENDER ST. SUITE 1680 VANCOUVER, A1 V6E 4G1			President	

Signatures

/s/ Craig Thomson 03/15/2011

**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) The securities were sold pursuant to a Rule 10b5-1 trading plan entered into March 9, 2011.
- (2) Options exercisable as to 50,000 options on August 18, 2010 and the remaining 150,000 options exercisable as to 25,000 options every 6 months thereafter

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- (3) Options exercisable as to 50,000 options on April 4, 2008 and the remaining 250,000 options exercisable as to 50,000 options every 6 months thereafter.

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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