

TIDEL TECHNOLOGIES INC
Form 4
October 03, 2006

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 *
LAURUS MASTER FUND LTD

2. Issuer Name and Ticker or Trading Symbol
TIDEL TECHNOLOGIES INC
[ATMS]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)
09/30/2006

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

C/O LAURUS CAPITAL MANAGEMENT, LLC, 825 THIRD AVENUE, 14TH FLOOR

(Street)

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

NEW YORK,, NY 10022

(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 Stock, par value \$0.01 per share | 10/02/2006 | | J ⁽¹⁾ | | 19,251,000 | D | \$ 0.34 |
| | | | | | 0 | (2) (3) (4) | |
| | | | | | | D | (2) (3) (4) |

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

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SEC 1474 (9-02)

number.

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 Security (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| | | | | Code | V (A) (D) | Date Exercisable Expiration Date | Title |
| Common Stock Warrants (right to buy) | \$ 0.3 | 10/02/2006 | | J ⁽¹⁾ | 4,250,000 | 11/25/2003 ⁽⁵⁾ 11/24/2010 | Common Stock, par value \$0.01 per share |
| Common Stock Warrants (right to buy) | \$ 0.3 | 10/02/2006 | | J ⁽¹⁾ | 500,000 | 11/26/2004 ⁽⁵⁾ 11/26/2011 | Common Stock, par value \$0.01 per share |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------|------------------|
| | Director | 10% Owner | Officer | Other |
| LAURUS MASTER FUND LTD C/O LAURUS CAPITAL MANAGEMENT, LLC 825 THIRD AVENUE, 14TH FLOOR NEW YORK,, NY 10022 | | | | Former 10% Owner |
| LAURUS CAPITAL MANAGEMENT LLC 825 THIRD AVENUE, 14TH FLOOR NEW YORK,, NY 10022 | | | | Former 10% Owner |
| GRIN EUGENE C/O LAURUS CAPITAL MANAGEMENT, LLC 825 THIRD AVENUE, 14TH FLOOR NEW YORK,, NY 10022 | | | | Former 10% Owner |
| GRIN DAVID C/O LAURUS CAPITAL MANAGEMENT, LLC 825 THIRD AVENUE, 14TH FLOOR NEW YORK,, NY 10022 | | | | Former 10% Owner |

Signatures

| | |
|---|------------|
| /s/ Eugene Grin, Director, on behalf of Laurus Master Fund, Ltd. | 10/03/2006 |
| __Signature of Reporting Person | Date |
| /s/ Eugene Grin, Principal, on behalf of Laurus Capital Management, LLC | 10/03/2006 |
| __Signature of Reporting Person | Date |
| /s/ Eugene Grin | 10/03/2006 |
| __Signature of Reporting Person | Date |
| /s/ David Grin | 10/03/2006 |
| __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) Pursuant to the terms of a stock redemption agreement, dated as of January 12, 2006, and amended as of February 28, 2006, June 9, 2006, and September 30, 2006 (the "Redemption Agreement"), between Tidel Technologies, Inc., a Delaware corporation (the "Company"), and Laurus Master Fund, Ltd., a Cayman Islands corporation ("Laurus Master Fund"), the Company redeemed on October 2, 2006, all of the 19,251,000 shares of Company common stock, par value \$0.01 per share (the "Common Stock"), held by Laurus Master Fund at a price of \$0.34 per share. Pursuant to the Redemption Agreement, each Company warrant held by Laurus Master Fund was cancelled, without the receipt of any additional consideration by Laurus, on October 2, 2006.

(2) Laurus Master Fund was the holder of all of the Company securities reported herein. Laurus Master Fund is managed by Laurus Capital Management, LLC, a Delaware limited liability company ("Laurus Capital"). Eugene Grin and David Grin, through other entities, are the controlling principals of Laurus Capital, and, subject to the following sentence, shared voting and investment power over all Company securities formerly held by Laurus Master Fund.

(3) The board of directors of Laurus Master Fund appointed Eugene Grin and David Grin as a committee of the board, each member of which was authorized to take any action on behalf of Laurus Master Fund contemplated by, or necessary or desirable to give effect to, any of the agreements entered into by Laurus Master Fund with the Company in connection with the Company's sale of its cash security business to Sentinel Technologies, Inc. (the "Asset Sale"), including, without limitation, the voting of the shares of Common Stock held by Laurus Master Fund in favor of the Asset Sale.

(4) Thus, for the purposes of Reg. Section 240.13d-3, Laurus Capital, Eugene Grin and David Grin were deemed to be beneficial owners of more than 10% of the Company's Common Stock. Each of Laurus Capital, Eugene Grin and David Grin disclaims beneficial ownership of the securities reported herein except to the extent of such person's pecuniary interest in Laurus Master Fund, if any. The filing of this statement by any reporting person shall not be deemed an admission that such person is, for purposes of Section 16 of the Securities Exchange Act of 1934 or otherwise, the beneficial owner of any equity securities covered by the statement.

(5) Under the terms of the warrant, Laurus Master Fund had agreed not to exercise the warrant to the extent that such exercise would have caused Laurus' beneficial ownership of Common Stock determined pursuant to Reg. Section 240.13d-3 to exceed 4.99% of the Company's outstanding shares of Common Stock, which limitation on ownership could have been voided upon 75 days' prior notice to the Company. In addition, Laurus Master Fund had agreed, pursuant to the terms of the Redemption Agreement, to not exercise the warrant until the earlier of (x) September 30, 2006 and (y) the date on which the purchase agreement relating to the Asset Sale was terminated or deemed terminated.

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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