

GEORGE KENNETH S
Form 4
December 29, 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 *
GEORGE KENNETH S

2. Issuer Name and Ticker or Trading Symbol
PRECIS INC [pcis]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
2040 N HIGHWAY 360

(Street)

3. Date of Earliest Transaction
(Month/Day/Year)
12/28/2006

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

GRAND PRAIRIE, TX 75050

(City) (State) (Zip)

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

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) | |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|-------|
| | | | | (A) or (D) | Price | | | |
| | | | | 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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(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 (Instr. 3) | 2. Conversion or Exercise Price of | 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 | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) |
|--|------------------------------------|--------------------------------------|--|--------------------------------|--|--|---|
|--|------------------------------------|--------------------------------------|--|--------------------------------|--|--|---|

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| Derivative Security | | | | (D) (Instr. 3, 4, and 5) | | Date Exercisable | Expiration Date | Title | An or Nu of |
|-----------------------------|---------|------------|------------|-----------------------------|--------|------------------|--------------------------------------|-------------------------------|-------------|
| | | | | Code | V | | | | |
| Stock Option (right to buy) | \$ 5.25 | 12/28/2006 | 12/28/2006 | D ⁽¹⁾ | | 25,000 | 08/25/2003 ⁽¹⁾ 07/30/2008 | \$.01 par value common stock | 25 |
| Stock Option (right to buy) | \$ 2 | 12/28/2006 | 12/28/2006 | A ⁽¹⁾ | 25,000 | | 08/25/2003 ⁽¹⁾ 07/30/2008 | \$.01 par value common stock | 25 |
| Stock Option (right to buy) | \$ 2.59 | 12/28/2006 | 12/28/2006 | D ⁽²⁾ | | 10,000 | 10/27/2004 ⁽²⁾ 10/27/2009 | \$.01 par value common stock | 10 |
| Stock Option (right to buy) | \$ 2 | 12/28/2006 | 12/28/2006 | A ⁽²⁾ | 10,000 | | 10/27/2004 ⁽²⁾ 10/27/2009 | \$.01 par value common stock | 10 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| GEORGE KENNETH S 2040 N HIGHWAY 360 GRAND PRAIRIE, TX 75050 | | X | | |

Signatures

Kenneth S. George
12/29/2006
Date

**Signature of 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) Amendment of outstanding option resulting in deemed cancellation of option and grant of replacement option. Amendment is exempt from Rule 16b-3. The option was originally granted on August 25, 2003 and is immediately exercisable.
- (2) Amendment of outstanding option resulting in deemed cancellation of option and grant of replacement option. Amendment is exempt from Rule 16b-3. The option was originally granted on August 25, 2003 and is exercisable immediately.

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.