

ARGYLE SECURITY, INC.  
Form 4  
October 31, 2008

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
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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 \*  
**KITT BARRY M**

2. Issuer Name and Ticker or Trading Symbol  
**ARGYLE SECURITY, INC.  
[ARGL.OB]**

5. Relationship of Reporting Person(s) to Issuer  
  
(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction  
(Month/Day/Year)  
**10/30/2008**

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

**C/O THE PINNACLE FUND,  
L.P., 4965 PRESTON PARK  
BLVD., SUITE 240**

(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

**PLANO, TX 75093**

(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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
|                                 |                                      |  |                                | (A) or (D)  | Price   |  |                                   |
|                                 |                                      |  |                                | Code  | V   | Amount   |                                   |

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

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

SEC 1474  
(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

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| 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) | 8. F. Derivative Securities (Instr. 3 and 4) |                            |
|---|--|--------------------------------------|--|--------------------------------|---|--|---|--|----------------------------|
|   |  |                                      |  | Code                           | V (A) (D)   | Date Exercisable   | Expiration Date   | Title  | Amount or Number of Shares |
| Warrants to purchase shares of Common Stock | \$ 5.5   | 10/30/2008                           |  | S                              |   | <u>(3)</u> 01/24/2011                                    |   | Comm Stock, par value \$.0001 per share      | 55,290                     |
| Warrants to purchase shares of Common Stock | \$ 5.5   | 10/31/2008                           |  | S                              |   | <u>(3)</u> 01/24/2011                                    |   | Comm Stock, par value \$.0001 per share      | 5,000                      |

## Reporting Owners

**Reporting Owner Name / Address**

**Relationships**

Director 10% Owner Officer Other

KITT BARRY M  
C/O THE PINNACLE FUND, L.P.  
4965 PRESTON PARK BLVD., SUITE 240  
PLANO, TX 75093

X

## Signatures

/s/ Barry M. Kitt 10/31/2008

\_\_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).

Barry M. Kitt exercises investment discretion and control over the securities of the issuer held by The Pinnacle Fund, L.P., a Texas limited partnership ("Pinnacle"). Mr. Kitt may be deemed to be the beneficial owner of the securities beneficially owned by Pinnacle. Mr.

(1) Kitt hereby disclaims beneficial ownership of the securities of the issuer reported herein to the extent of his direct or indirect pecuniary interest therein, and this Form 4 shall not be deemed to be an admission that Mr. Kitt is the beneficial owner of the securities of the issuer reported herein for purposes of Section 16 of the Securities Exchange Act of 1934, as amended, or for any other purpose.

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- (2) This Form 4 is filed on behalf of Pinnacle and Barry M. Kitt. Pinnacle Advisers, L.P. ("Advisers") is the general partner of Pinnacle. Pinnacle Fund Management, LLC ("Management") is the general partner of Advisers. Mr. Kitt is the sole member of Management
- (3) Immediately.

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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