## SMART ONLINE INC Form 3 July 26, 2005 UNITED STATES SECURITIES AND EXCHANGE COMMISSION OMB APPROVAL FORM 3 Washington, D.C. 20549 OMB

## **INITIAL STATEMENT OF 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 <u>*</u> Keston Joan			2. Date of Event Req Statement (Month/Day/Year)		3. Issuer Name and Ticker or Trading Symbol SMART ONLINE INC [SOLN]					
(Last)		(Middle)	07/22/2005		4. Relationship of Reporting Person(s) to Issuer			5. If Amendment, Date Original Filed(Month/Day/Year)		
2530 MERIE	DAN PARK	WAY		(Chaol	all applicable)					
(Street) DURHAM, NC 27713				(Check all applicable)			6. Individual or Joint/Group			
				X Officer (give title below	Director 10% Owner X_Officer Other (give title below) (specify below) General Counsel and Secretary		<ul> <li>Filing(Check Applicable Line)</li> <li>_X_ Form filed by One Reporting</li> <li>Person</li> <li> Form filed by More than One</li> <li>Reporting Person</li> </ul>			
(City)	(State)	(Zip)	Table	e I - Non-Derivat	tive Securiti	es Be	neficially	Owned		
1.Title of Securi (Instr. 4)	ity			iount of Securities icially Owned 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nat Owne (Instr.	rship	ct Beneficial		
Reminder: Repo owned directly o		e line for ea	ch class of securities b	peneficially S	EC 1473 (7-02)	)				
T	informa requirec currentl	tion conta I to respo y valid OM	oond to the collecti ined in this form a nd unless the form //B control number ities Beneficially Ow	re not displays a	warrants out	ions c	onvertible s	conrities)		
14		ative Secur	ities beneficially Ow	neu (e.g., puts, cans,	, wai i ants, opt	10115, C	onvertible s	currics)		
1. Title of Deriv (Instr. 4)	ative Security	2. Date E Expiratio (Month/Day/Y	n Date	3. Title and Amount Securities Underlying Derivative Security		sion	5. Ownership Form of	6. Nature of Indirect Beneficial Ownership		

Number:	3235-0104
Expires:	January 31, 2005
Estimated a	verage
burden hour	s per
response	0.5

1. Title of Derivative Security	2. Date Exercisable and		3. Title and Amount of		4.	5.	6. Nature of Indirect
(Instr. 4)	Expiration Da	ite	Securities Underlying		Conversion	Ownership	Beneficial
	(Month/Day/Year)		Derivative Security		or Exercise	Form of	Ownership
			(Instr. 4)		Price of	Derivative	(Instr. 5)
	D (	Expiration Date			Derivative	Security:	
	Date			Amount or Number of	Security	Direct (D)	
	Exercisable		Title			or Indirect	
						(I)	
				Shares		(Instr. 5)	

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Reporting Owr			Stock				
Stock Option	07/22/2006	07/22/2015	Common Stock	50,000	\$ 8.61	D	Â

Reporting Owner Name / Address	Relationships						
	Director	10% Owner	Officer	Other			
Keston Joan 2530 MERIDAN PARKWAY DURHAM, NC 27713	Â	Â	General Counsel and Secretary	Â			
Signatures							

Joan Keston 07/26/2005 \*\*Signature of Date Reporting Person

## **Explanation of Responses:**

\* If the form is filed by more than one reporting person, see Instruction 5(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).

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.