

Smith Arthur L
 Form 4
 February 10, 2010

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 *
 Smith Arthur L

2. Issuer Name and Ticker or Trading Symbol
 ATSI COMMUNICATIONS INC/DE [ATSX]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
 8600 WURZBACH, SUITE 700W
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 01/01/2007

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

SAN ANTONIO, TX 78240

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 Stock, \$.001 par value per share | 01/01/2007 | | A/K ⁽¹⁾ | | 195,750 | A | \$ 0 |
| Common Stock, \$.001 par value per share | 08/15/2007 | | A | | 275,000 | A | \$ 0 |
| Common Stock, | 07/16/2009 | | A | | 885,737 | A | \$ 0 |

\$.001 par
value per
share

Series H
Preferred
Stock
\$.001 par
value per
share

01/01/2007

D/K⁽¹⁾

195,750 D

\$ 0 0

D

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 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 Underlying Security (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|---|-----|--|-----------------|---|
| | | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | |
| Option to purchase common stock | \$ 0.21 | 08/15/2007 | | A | | 150,000 | | 08/15/2007 | 08/15/2017 | Common Stock, \$.001 par value per share |
| Option to purchase common stock | \$ 0.21 | 08/15/2007 | | A | | 150,000 | | 08/15/2008 | 08/15/2017 | Common Stock, \$.001 par value per share |
| Option to purchase common stock | \$ 0.21 | 08/15/2007 | | A | | 150,000 | | 08/15/2009 | 08/15/2017 | Common Stock, \$.001 par value per share |
| Option to purchase common stock | \$ 0.16 | 07/16/2009 | | D/K ⁽²⁾ | | 945,000 | | 09/29/2007 | 09/29/2015 | Common Stock, \$.001 par value per share |
| | \$ 0.21 | 07/16/2009 | | D/K ⁽²⁾ | | 300,000 | | 09/26/2009 | 09/26/2016 | |

| | | | | | | | | |
|---------------------------------|---------|------------|--------------------|---------|------------|------------|--|--|
| Option to purchase common stock | | | | | | | | Common Stock, \$.001 par value per share |
| Option to purchase common stock | \$ 0.21 | 07/16/2009 | D/K ⁽²⁾ | 450,000 | 08/15/2009 | 08/15/2017 | | Common Stock, \$.001 par value per share |
| Option to purchase common stock | \$ 0.04 | 07/16/2009 | A/K ⁽²⁾ | 945,000 | 07/16/2009 | 09/29/2015 | | Common Stock, \$.001 par value per share |
| Option to purchase common stock | \$ 0.04 | 07/16/2009 | A/K ⁽²⁾ | 300,000 | 07/16/2009 | 09/26/2016 | | Common Stock, \$.001 par value per share |
| Option to purchase common stock | \$ 0.04 | 07/16/2009 | A/K ⁽²⁾ | 450,000 | 07/16/2009 | 08/16/2017 | | Common Stock, \$.001 par value per share |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|-----------------|-------|
| | Director | 10% Owner | Officer | Other |
| Smith Arthur L 8600 WURZBACH, SUITE 700W SAN ANTONIO, TX 78240 | X | | President & CEO | |

Signatures

Arthur L. Smith 02/10/2010

**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 conversion of Series H Preferred Stock

(2) Pursuant to repricing of options on 7/16/2009

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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