

CLINE J MICHAEL
Form 4
January 21, 2011

FORM 4

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

OMB APPROVAL

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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 *
CLINE J MICHAEL

2. Issuer Name and Ticker or Trading Symbol
NEOMEDIA TECHNOLOGIES INC [NEOM]

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

(Last) (First) (Middle)
51 MADISON AVENUE, 31ST FLOOR
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
01/19/2010

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

NEW YORK, NY 10010

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
___ Form filed by One Reporting Person
X 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 Indirect Ownership (Instr. 4)		
			Code	V	Amount	(A) or (D)	Price		
Common Stock	01/20/2011		C		1,446,916	A	\$ 11,032,736	I	See Footnote (2)
Common Stock	01/19/2011		S		466,097	D	\$ 0.056	I	See Footnote (2)

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

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expiration date. The Certificate of Designation of the Preferred Stock provides that each share of the Preferred Stock is convertible into Common Stock of the Issuer equal to the quotient of the liquidation amount divided by the conversion price. The liquidation amount is equal to one thousand dollars (\$1,000) per share of Preferred Stock. The conversion price is equal to, at the option of the holder, the lesser of (i) fifty cents (\$0.50) or (ii) 97% of the lowest closing bid price of the Common Stock for the one hundred twenty-five (125) trading days immediately preceding the date of conversion, as quoted by Bloomberg LP.

JMC Holdings, L.P. directly beneficially owns the reported securities. J. Michael Cline is the general partner of JMC Holdings, L.P. J.

- (2) Michael Cline and JMC Holdings, L.P. disclaim beneficial ownership within the meaning of Section 16 of the Securities Exchange Act of 1934, as amended, or otherwise of such portion of the Issuer's shares in which such persons have no actual pecuniary interest.

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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