Wilson William W III Form 3 December 15, 2004

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

OMB APPROVAL

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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 *

Wilson William W III

(First) (Middle) Statement

(Month/Day/Year)

12/13/2004

2. Date of Event Requiring 3. Issuer Name and Ticker or Trading Symbol

NEON SYSTEMS INC [NEON]

8323 NW 12TH STREET,

SUITE 216

(Last)

(Street)

4. Relationship of Reporting Person(s) to Issuer

5. If Amendment, Date Original

Filed(Month/Day/Year)

(Check all applicable)

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

6. Individual or Joint/Group Filing(Check Applicable Line) _X_ Form filed by One Reporting

Person

Form filed by More than One

Reporting Person

4. Nature of Indirect Beneficial

MIAMI, FLÂ 33126

(City) (State) (Zip)

1. Title of Security (Instr. 4)

2. Amount of Securities

Beneficially Owned (Instr. 4)

Ownership Form: Direct (D)

Table I - Non-Derivative Securities Beneficially Owned

Ownership (Instr. 5)

or Indirect (I) (Instr. 5)

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 1473 (7-02)

Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 4)

2. Date Exercisable and **Expiration Date** (Month/Day/Year)

3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)

4. Conversion or Exercise Price of Derivative

5. Ownership Form of Derivative Security:

6. Nature of Indirect Beneficial Ownership (Instr. 5)

Date Exercisable Expiration

Date

Title

Amount or Number of Shares

Security

Direct (D) or Indirect (I)

1

(Instr. 5)

Non-Qualified Stock Options 12/13/2005 $\underline{\text{(1)}}$ 12/15/2015 Non-Qualified Stock Options 12,500 \$ 3.61 D \hat{A}

Reporting Owners

Reporting Owner Name / Address Director 10% Owner Officer Other Wilson William W III 8323 NW 12TH STREET, SUITE 216 \hat{A} X \hat{A} \hat{A} \hat{A}

Signatures

MIAMI, FLÂ 33126

William W. Wilson III 12/15/2004

**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).
- (1) Granted under the Issuer's 2002 Director Option Plan, and vesting in quarterly increments during the three-year period following the date of grant.

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.

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