

DEER VALLEY CORP
Form 4
January 10, 2011

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

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 *
Vicis Capital, LLC

2. Issuer Name and Ticker or Trading Symbol
DEER VALLEY CORP [DVLY.OB]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
445 PARK AVENUE, SUITE 1901

(Street)

3. Date of Earliest Transaction
(Month/Day/Year)
01/06/2011

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

NEW YORK, NY 10022

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)
Common Stock	01/06/2011 ⁽⁴⁾		C ⁽⁴⁾	6,566,667 A ⁽⁴⁾	13,406,749	I ⁽¹⁾	By Vicis Capital Master Fund

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)

Edgar Filing: DEER VALLEY CORP - Form 4

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 Security (Instr. 3 and 4)	Amount of Underlying Security	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount
Series A Convertible Preferred Stock	\$ 0.75	01/06/2011 ⁽⁴⁾		C ⁽⁴⁾	492,500	⁽²⁾	⁽³⁾	Common Stock	6,5
Series E Convertible Preferred Stock	\$ 0					⁽²⁾	⁽³⁾	Common Stock	1,0
Series C Convertible Preferred Stock	\$ 0					⁽²⁾	⁽³⁾	Common Stock	2,2
Call Options (obligations to sell) ⁽⁵⁾	\$ 12,000,000 ⁽⁵⁾	01/06/2011		S	\$ 0 ⁽⁵⁾	⁽²⁾	03/31/2012	See Footnote ⁽⁵⁾	

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Vicis Capital, LLC 445 PARK AVENUE, SUITE 1901 NEW YORK, NY 10022		X		
Vicis Capital Master Fund 445 PARK AVENUE, SUITE 1901 NEW YORK, NY 10022		X		

Signatures

/s/ Andrew Comito, Compliance Officer, Vicis Capital LLC 01/10/2011
 **Signature of Reporting Person Date

/s/ Andrew Comito, Authorized Representative, Vicis Capital Master Fund 01/10/2011
 **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) Represents the indirect holdings of Vicis Capital LLC. All of the foregoing represents securities held directly by Vicis Capital Master Fund. Vicis Capital LLC acts as investment advisor to Vicis Capital Master Fund and therefore has voting and dispositive power over all the foregoing shares. For the purposes of Rule 13d-3 under the Securities Exchange Act of 1934, as amended, Vicis Capital LLC may be deemed to be the beneficial owner of, but hereby disclaims such beneficial ownership of, the foregoing shares.

(2) Immediately.

(3) None.

(4) On July 7, 2009, Vicis Capital Master Fund submitted a notice of conversion to the Issuer seeking to convert 492,500 shares of Series A Convertible Preferred Stock having a stated value of \$10 per share into the Issuer's Common Stock at a conversion price of \$0.75 per share, for the acquisition of 6,566,667 shares of Common Stock. In order to effect such conversion in full, on August 27, 2009, the Issuer amended its Certificate of Designations, Preferences and Rights of Series A Convertible Preferred Stock, which conversion was finalized in conjunction with the entry by Vicis Capital Master Fund into that certain Option Agreement described in footnote 5 of this Form 4.

(5) On January 6, 2011, Vicis Capital Master Fund entered into a Securities Option and Right of First Refusal Agreement (the "Option Agreement") with a private party (the "Optionee"). Pursuant to the Option Agreement, the Fund granted the Optionee an option to purchase from the Fund all, but not less than all, of the following: (i) 13,406,749 shares of the Issuer's Common Stock; (ii) 22,463 shares of the Issuer's Series C Convertible Preferred Stock; and (iii) 1,000,000 shares of the Issuer's Series E Convertible Preferred Stock (the "Securities"). In consideration for the grant of the option, the Optionee paid the Fund a purchase price of \$100. Upon the Optionee's exercise of the option, the Optionee shall pay the Fund a purchase price of \$12,000,000 and the Optionee will receive all of the Securities.

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.