

AMERICAN SHARED HOSPITAL SERVICES
 Form 4
 December 14, 2007

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 *
 AMERICAN SHARED HOSPITAL SERVICES

2. Issuer Name and Ticker or Trading Symbol
 AMERICAN SHARED HOSPITAL SERVICES [AMS]

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

(Last) (First) (Middle)
 FOUR EMBARCADERO CENTER, SUITE 3700
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 12/06/2007

Director 10% Owner
 Officer (give title below) Other (specify below)
 CHAIRMAN AND CEO

SAN FRANCISCO, CA 94111-4107

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 Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership Indirect Beneficial Ownership (Instr. 4) | | |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|-----|-------|
| | | | | (A) or (D) | Code | V | Amount | (D) | Price |

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)

| 1. Title of Derivative | 2. Conversion | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if | 4. Transaction | 5. Number of Derivative | 6. Date Exercisable and Expiration Date | 7. Title and Amount Underlying Security |
|------------------------|---------------|--------------------------------------|-------------------------------|----------------|-------------------------|---|---|
|------------------------|---------------|--------------------------------------|-------------------------------|----------------|-------------------------|---|---|

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| Security (Instr. 3) | or Exercise Price of Derivative Security | any (Month/Day/Year) | Code (Instr. 8) | Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | (Month/Day/Year) | (Instr. 3 and 4) | | | | |
|---|---|-------------------------|--------------------|---|-----------------------|------------------|---------------------------|--------------------|-----------------|----------------|
| | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title | An Nu Sh |
| STOCK OPTION (RIGHT TO BUY) | \$ 3.036 <u>(1)</u> | 12/06/2007 | A | | 150,000 <u>(2)</u> | | 12/06/2007 ⁽³⁾ | 12/05/2012 | COMMON STOCK | 15 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|------------------|-------|
| | Director | 10% Owner | Officer | Other |
| AMERICAN SHARED HOSPITAL SERVICES FOUR EMBARCADERO CENTER SUITE 3700 SAN FRANCISCO, CA 94111-4107 | X | X | CHAIRMAN AND CEO | |

Signatures

ERNEST A
BATES, MD

12/14/2007

**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).

REPRESENTS AN INCENTIVE OPTION GRANTED TO A 10% SHAREHOLDER, WHICH RESULTS IN AN EXERCISE PRICE
(1) PER SHARE OF ONE HUNDRED TEN PERCENT (110%) OF THE FAIR MARKET VALUE PER SHARE OF COMMON STOCK
ON THE OPTION GRANT DATE

THE REPORTED OPTION IS IMMEDIATELY EXERCISABLE FOR ALL OF THE OPTION SHARES. HOWEVER, ANY
UNVESTED SHARES REPURCHASED UNDER SUCH OPTION WOULD BE SUBJECT TO THE ISSUER'S RIGHT TO
(2) REPURCHASE THOSE SHARES, AT THE EXERCISE PRICE PAID PER SHARE. UPON THE REPORTING PERSON'S
TERMINATION OF SERVICE WITH THE ISSUER PRIOR TO VESTING IN SUCH SHARES, THE OPTION WILL VEST IN FULL
ON THE VESTING DATE.

(3) THE OPTION TERM SHALL NOT EXCEED FIVE (5) YEARS MEASURED FROM THE OPTION GRANT DATE.

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.