

MACE SECURITY INTERNATIONAL INC
 Form 4
 December 10, 2004

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 *
 PAOLINO LOUIS D JR

2. Issuer Name and Ticker or Trading Symbol
 MACE SECURITY INTERNATIONAL INC [MACE]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
 1000 CRAWFORD PLACE, SUITE 400
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 10/08/2004

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

MT LAUREL, NJ 08054

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 Indirect Ownership (Instr. 4)
			Code	V Amount (D) Price (1) or (2) (3)			
Common Stock	12/08/2004(1)(2)(3)		J(1)(2)(3)	0 (1) (2) (3) D (1) (2) (3)	2,980,640 (4)	D	

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

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SEC 1474 (9-02)

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

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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 Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Owned Following Transaction (Instr. 6)
				Code V (A) (D)		Date Exercisable Expiration Date	Title	Amount or Number of Shares	

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
PAOLINO LOUIS D JR 1000 CRAWFORD PLACE SUITE 400 MT LAUREL, NJ 08054	X		CEO, Chairman & President	

Signatures

Louis D. Paolino, Jr. 12/10/2004

**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) On April 21, 2004 Mr. Paolino borrowed \$4,105,500 on a limited non-recourse basis (under certain circumstances the loan was recourse) and secured the loan with a pledge of 1,190,000 shares of Mace Security International, Inc. common stock. On November 3, 2004, Mr. Paolino received a notice dated November 2, 2004 from the lender that asserted that (i) Mr. Paolino was in default of the loan, and (ii) the lender would exercise its purported rights under the loan agreements. The lender has asserted that its purported rights under the loan agreement include the right to (i) terminate the loan agreement and (ii) take possession of the pledged stock. Mr. Paolino does not believe that the lender is entitled to terminate the loan and take possession of the pledged stock.

(2) The lender maintains that Mr. Paolino defaulted on the loan by failing to pay an interest payment when due, although Mr. Paolino tendered the interest payment to the lender upon receiving the notice dated November 2, 2004 and the lender accepted the payment. The value of the pledged stock at the close of market on December 8, 2004 was \$5,961,900, which exceeds the loan by \$1,856,400. Mr. Paolino intends to contest the lender's actions.

(3) Mr. Paolino and the lender had agreed to a standstill agreement while negotiating their dispute. The standstill agreement expired on December 8, 2004. During the standstill agreement the Lender had agreed that it would not sell or otherwise dispose of the pledged shares. As of the date of this Form 4, Mr. Paolino does not know whether the Lender has sold the pledged shares and the Lender has declined to provide any information regarding the current disposition of the shares.

(4) This amount is the number of shares beneficially owned by Mr. Paolino without deduction of the 1,190,000 pledged shares.

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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