

WALLACE MILTON J  
 Form 4  
 October 22, 2008

**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 \*  
 WALLACE MILTON J

2. Issuer Name and Ticker or Trading Symbol  
 IMPERIAL INDUSTRIES INC  
 [IPII]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

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

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

1111 BRICKELL AVE, SUITE 2150

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

(Street)

MIAMI, FL 33131

(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 Ownership (Instr. 4)
				(A) or (D) Code V Amount (D) Price			
COMMON STOCK					22,500 <sup>(1)</sup>	D	
COMMON STOCK					15,000	I	See Footnote <sup>(2)</sup>

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

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SEC 1474 (9-02)

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

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)
STOCK OPTION	\$ 0.79	10/20/2008		J <sup>(5)</sup>	6,250	01/29/2005 07/29/2009	COMMON
STOCK OPTION	\$ 0.79	10/20/2008		J <sup>(5)</sup>	2,500	09/17/2005 03/17/2010	COMMON
STOCK OPTION	\$ 0.79	10/20/2008		J <sup>(5)</sup>	3,000	06/21/2006 12/20/2010	COMMON
RESTRICTED STOCK UNIT	\$ 3.66					<sup>(3)</sup> <sup>(4)</sup>	COMMON
STOCK OPTION	\$ 0.79	10/20/2008		A	5,000	04/20/2009 10/19/2013	COMMON

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
WALLACE MILTON J 1111 BRICKELL AVE SUITE 2150 MIAMI, FL 33131	X			

## Signatures

/s/ Milton J. Wallace 10/22/2008

\*\*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) 15,000 shares are owned jointly by Mr. Wallace and his wife Patricia Wallace.
- (2) 15,000 shares are owned by Individual Retirement Account of which Mr. Wallace is a beneficiary.

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- (3) Restricted Stock Units were: (a) granted pursuant to the Company's 2006 Stock Award and Incentive Plan; and (b) vest 25% on each anniversary date of the grant.
- (4) Shares would be issued at time of vesting and would be fully vested and issued as of 11/27/2011.
- (5) The exercise prices of the above noted stock options that were previously granted were re-priced to the fair market value of the underlying common stock as of the close of trading on October 17, 2008.

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.