

PAYMENT DATA SYSTEMS INC  
Form NT 10-K  
March 31, 2010

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

**FORM 12b-25**

**NOTIFICATION OF LATE FILING**

*Check  
One):*

- Form 10-K     Form 20-F     Form 11-K     Form 10-Q  
 Form N-SAR     Form N-CSR

For Period Ended: December 31, 2009

- Transition Report on Form 10-K  
 Transition Report on Form 20-F  
 Transition Report on Form 11-K  
 Transition Report on Form 10-Q  
 Transition Report on Form N-SAR

For the Transition Period Ended:  
\_\_\_\_\_

If the notification relates to a portion of the filing checked above, identify the Item(s) to which the notification relates:

**PART I    REGISTRANT INFORMATION**

**PAYMENT DATA SYSTEMS, INC.**

**Full Name of Registrant**

**Former Name if Applicable**

**12500 San Pedro Suite 120**

**Address of Principal Executive Office (*Street and Number*)**

**San Antonio, Texas 78216**

**City, State and Zip Code**

**PART II RULES 12b-25(b) AND (c)**

If the subject report could not be filed without unreasonable effort or expense and the registrant seeks relief pursuant to Rule 12b-25(b), the following should be completed. (Check box if appropriate)

- (a) The reasons described in reasonable detail in Part III of this form could not be eliminated without unreasonable effort or expense;
- (b) The subject annual report, semi-annual report, transition report on Form 10-K, Form 20-F, Form 11-K, Form N-SAR or Form N-CSR, or portion thereof, will be filed on or before the fifteenth calendar day following the prescribed due date; or the subject quarterly report or transition report on Form 10-Q or subject distribution report on Form 10-D, or portion thereof will be filed on or before the fifth calendar day following the prescribed due date; and
- (c) The accountant's statement or other exhibit required by Rule 12b-25(c) has been attached if applicable.

x

**PART III NARRATIVE**

State below in reasonable detail the reasons why Forms 10-K, 20-F, 11-K, 10-Q, N-SAR, N-CSR, or the transition report portion thereof, could not be filed within the prescribed time period.

The Company is unable to file its Annual Report on Form 10-K for the fiscal year ended December 31, 2009 by March 31, 2010 because of delays in the completion of its financial statements and related portions of the Form 10-K that could not be resolved without unreasonable effort or expense.

**PART IV OTHER INFORMATION**

(1) Name and telephone number of person to contact in regard to this notification

**Michael R. Long**  
(Name)

**210**  
(Area Code)

**249-4100**  
(Telephone Number)

(2) Have all other periodic reports required under Section 13 or 15(d) of the Securities Exchange Act of 1934 or Section 30 of the Investment Company Act of 1940 during the preceding 12 months or for such shorter period that the registrant was required to file such report(s) been filed? If answer is no, identify report(s).  Yes  No

(3) Is it anticipated that any significant change in results of operations from the corresponding period for the last fiscal year will be reflected by the earnings statements to be included in the subject report or portion thereof?  Yes  No

If so, attach an explanation of the anticipated change, both narratively and quantitatively, and, if appropriate, state the reasons why a reasonable estimate of the results cannot be made.

**PAYMENT DATA SYSTEMS, INC.**

**(Name of Registrant as Specified in Charter)**

has caused this notification to be signed on its behalf by the undersigned hereunto duly authorized.

Date: March 31, 2010

By: /s/ Michael R. Long

Name: Michael R. Long

Title: Chief Executive Officer and Chief Financial  
Officer