WOODHILL JAMES R
Form 5
May 15, 2002

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+--------+                                   UNITED STATES
| FORM 5 |                          SECURITIES AND EXCHANGE COMMISSION
+--------+                                 Washington, D.C. 20549

[_] Check box if
    no longer subject     ANNUAL STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP
    to Section 16.
    Form 4 or Form 5       Filed pursuant to Section 16(a) of the Securities
    obligations may           Exchange Act of 1934, Section 17(a) of the
    continue. See            Public Utility Holding Company Act of 1935 or
    Instruction 1(b).      Section 30(f) of the Investment Company Act of 1940

[_] Form 3 Holdings Reported

[_] Form 4 Transactions Reported
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1.  Name and Address of Reporting Person*

       Woodhill                      James                           R.
    -------------------------------------------------------------------------
        (Last)                      (First)                        (Middle)

                         14100 Southwest Frwy, Ste. 500
    -------------------------------------------------------------------------
                                  (Street)

                            Sugar Land, TX 77478
    -------------------------------------------------------------------------
        (City)                      (State)                          (Zip)


2.  Issuer Name and Ticker or Trading Symbol  NEON Systems, Inc. (NESY)
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3.  I.R.S. Identification Number of Reporting Person, if an entity
    (Voluntary)
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4.  Statement for Month/Year   3/31/02
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5.  If Amendment, Date of Original (Month/Year)
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6.  Relationship of Reporting Person(s) to Issuer (Check all applicable)

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

7.  Individual or Joint/Group Reporting  (check applicable line)

    [X] Form Filed by One Reporting Person

    [ ] Form Filed by More than One Reporting Person

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Table I--Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securitie Beneficia Owned at end of Issuer's Fiscal Ye (Instr. 3
			Amount	(A) or (D)	Price	

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)	4. Transaction Code (Instr. 8)
Common Stock	$3.93	12/21/01	A

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 Beneficially Owned at End of Year (Instr. 4)	10
Date Exercisable	Expiration Date	Title	Amount or Number of Shares			
(1)	12/21/11	Common Stock	7,500		7,500	

Explanation of Responses:

(1) Option granted under the issuer's Stock Option Plan for Non-Employee Directors and will vest equally in 2,500 increments over three (3) years.

/s/ James R. Woodhill 05/14/2002

**Signature of Reporting Person Date

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space provided is insufficient, see Instruction 6 for procedure.