

Grimes Joseph  
Form 3  
December 21, 2007

**FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

OMB APPROVAL

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**INITIAL STATEMENT OF 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 *		2. Date of Event Requiring Statement	3. Issuer Name and Ticker or Trading Symbol	
Â Grimes Joseph		(Month/Day/Year)	XSUNX INC [XSNX]	
(Last)	(First)	(Middle)	04/05/2006	
65 ENTERPRISE			4. Relationship of Reporting Person(s) to Issuer	5. If Amendment, Date Original Filed(Month/Day/Year)
(Street)			(Check all applicable)	
ALISO VIEJO,Â CAÂ 92656			<input type="checkbox"/> Director	<input type="checkbox"/> 10% Owner
(City)	(State)	(Zip)	<input checked="" type="checkbox"/> Officer	<input type="checkbox"/> Other
			(give title below)	(specify below)
			COO	
			6. Individual or Joint/Group Filing(Check Applicable Line)	
			<input checked="" type="checkbox"/> Form filed by One Reporting Person	
			<input type="checkbox"/> Form filed by More than One Reporting Person	

**Table I - Non-Derivative Securities Beneficially Owned**

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
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Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

SEC 1473 (7-02)

**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.**

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

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)	3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)	4. Conversion or Exercise Price of Derivative Security	5. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 5)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date			
		Title	Amount or Number of Shares		

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Warrants	07/20/2006	04/05/2011	Common	112,000	\$ 1.69	D	Â
Warrants	Â (1)	07/20/2011	Common	500,000	\$ 0.51	D	Â
Options	Â (2)	01/26/2012	Common	500,000	\$ 0.46	D	Â
Options	Â (3)	10/23/2012	Common	500,000	\$ 0.36	D	Â

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Grimes Joseph 65 ENTERPRISE ALISO VIEJO, CA 92656	Â	Â	Â COO	Â

## Signatures

/s/ Joseph Grimes 12/21/2007

\*\*Signature of Reporting Person Date

## Explanation of Responses:

\* If the form is filed by more than one reporting person, see Instruction 5(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) Employment Incentive Warrants -- Granted 7/20/06, expires 4/20/11 -- 500,000 warrants -- exercise price of \$.51 per share. The warrants vest under the following provisions: (a) The Warrant became exercisable at the rate of 28,000 shares per month up to and through the first nine months of employment of Optionee by Company commencing July 20, 2006. (b) One Hundred Thousand (100,000) shares became exercisable upon the completion and delivery of a marketing plan by Optionee to the Board of Directors. (c) One Hundred Forty Eight Thousand (148,000) shares shall become exercisable upon the first sale or licensure of an XSUNX, Inc. technology under the marketing plan.

(2) Employment Incentive Options -- Granted 1/26/07, expires 1/26/12 -- 500,000 options -- exercise price of \$.46 per share. The options vest under the following provisions: (a) The Option became exercisable in the amount of 50,000 shares upon the First Vesting Date of April 1, 2007. Thereafter, the Option shall vest and become exercisable at the rate of 50,000 Shares per calendar quarter up to a total of 400,000 shares. (b) The Option shall become exercisable in the amount of 50,000 shares for each of the first two sales/licensure of an XsunX system.

(3) Employment Incentive Option -- Granted 10/23/07, expires 10/23/12 -- 500,000 options -- exercise price per share of \$0.36. The options vest in conjunction with a performance milestone based vesting schedule as described below: (a) 100,000 shares upon the assembly and commissioning of a base line production system. (b) 100,000 shares upon the production of a commercial size working sample of the Company's planned tandem junction amorphous silicon solar module. (c) 300,000 shares upon the assembly and commissioning of the initial 25 mega watt production system as contemplated within the Company's phased build out plan for a solar module manufacturing facility.

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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