

UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

OMB APPROVAL  
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**FORM 3**

**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\*

**Russell, Thomas K.**  
(Last) (First) (Middle)

**30 Sembrado**  
(Street)

**Rancho Santa Margarita, CA 92688**  
(City) (State) (Zip)

2. Date of Event  
Requiring Statement  
(Month/Day/Year)

**July 19, 2002**

4. Issuer Name **and** Ticker or Trading Symbol

**Shallbetter Industries, Inc. SBNS**

3. I.R.S. Identification  
Number of Reporting  
Person, if an entity  
(voluntary)

5. Relationship of Reporting  
Person(s) to Issuer  
(Check all applicable)

**X** Director \_\_\_ 10% Owner

**X** Officer \_\_\_ Other  
(specify) (give title below)

**President**

6. If Amendment, Date of  
Original  
(Month/Day/Year)

7. Individual or Joint/Group  
Filing (Check Applicable  
Line)

**X** Form filed by One  
Reporting Person

\_\_\_ Form filed by More than  
One Reporting Person

**Table 1 - Non-Derivative Securities Beneficially Owned**

1. Title of Security (Inst. 4)	2. Amount of Securities Beneficially Owned (Inst. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Inst. 5)	4. Nature of Indirect Beneficial Ownership (Inst. 5)
<b>Common Stock</b>	<b>50,000</b>	<b>D</b>	

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

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

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

Explanation of Responses:

**/S/ THOMAS K. RUSSELL**

Signature of Reporting Person

**August 8, 2002**

Date

\* 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).

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