

ECHELON CORP
Form 4
January 04, 2007

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

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 *
OSHMANN M KENNETH

(Last) (First) (Middle)
550 MERIDIAN AVE,
(Street)

SAN JOSE, CA 95126

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
ECHELON CORP [ELON]

3. Date of Earliest Transaction (Month/Day/Year)
01/02/2007

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)
Chairman of the Board & CEO

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

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 Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | Code | V Amount (A) or (D) Price | | | |
| Common Stock | 01/02/2007 | | M | 36,928 A \$ 36,928 | | D | |
| Common Stock | 01/02/2007 | | J ⁽⁶⁾ | 14,026 D \$ 7.94 | 22,902 | D | |
| Common Stock | 01/04/2007 | | G | V 22,902 D \$ 0 | 0 | D | |
| Common Stock | 01/04/2007 | | G | V 22,902 A \$ 0 | 3,595,735 | I | By Trust ⁽¹⁾ |
| Common Stock | | | | | 600,000 | I | By Trust ⁽²⁾ |

Edgar Filing: ECHELON CORP - Form 4

| | | | |
|--------------|---------|---|-------------------------------|
| Common Stock | 600,000 | I | By Trust ⁽³⁾ |
| Common Stock | 488,428 | I | By Partnership ⁽⁴⁾ |

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

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.

SEC 1474
(9-02)

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) | | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--------------|----------------------------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| Performance Shares | <u>(5)</u> | 01/02/2007 | | M | 36,928 | 01/02/2007 | 01/02/2007 | Common Stock | 36,928 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|-----------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| OSHMAN M KENNETH 550 MERIDIAN AVE SAN JOSE, CA 95126 | X | X | Chairman of the Board & CEO | |
| OSHMAN TRUST DATED 7 10 1979 C/O M KENNETH OSHMAN ECHELON CORP., 550 MERIDIAN AVE SAN JOSE, CA 95126 | | X | | |
| O S VENTURES C/O M KENNETH OSHMAN ECHELON CORP., 550 MERIDIAN AVE SAN JOSE, CA 95126 | | X | | |

Signatures

/s/ M. Kenneth
Oshman

01/04/2007

 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) The shares are held by the Oshman Trust dated July 10, 1979 (the "Oshman Trust"), of which the Reporting Person and his spouse, Barbara S. Oshman, serve as co-trustees.
 - (2) The shares are held by the M. Kenneth Oshman Annuity Trust dated February 14, 2006.
 - (3) The shares are held by the Barbara S. Oshman Annuity Trust dated February 14, 2006.
 - (4) The shares are held by O-S Ventures, a general partnership, of which the Reporting Person is general partner.
 - (5) Each performance share represents the right to receive one share of the Issuer's Common Stock.
 - (6) The shares were disposed of in payment of federal and state income tax and medicare tax payments due resulting from the vesting and issuance of the performance shares.

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.