

ECHELON CORP
Form 4
September 05, 2007

FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL
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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 *
AXELSSON ANDERS

(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)
09/04/2007

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)
Senior VP of Sales & Marketing

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) | (A) or (D) | 5. Amount or Price | 6. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 7. Nature of Ownership Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|------------|--------------------|---|---|
| Common Stock | 09/04/2007 | | M | 10,419 | A | \$ 8.52 | 12,294 | D |
| Common Stock | 09/04/2007 | | F | 5,630 | D | \$ 29.93 | 6,664 | D |
| Common Stock | 09/04/2007 | | S | 3,515 | D | \$ 29.05 | 3,149 | D |
| Common Stock | 09/04/2007 | | S | 100 | D | \$ 29.06 | 3,049 | D |
| Common Stock | 09/04/2007 | | S | 85 | D | \$ 29.09 | 2,964 | D |

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| | | | | | | | |
|--------------|------------|---|-----|---|----------|-------|---|
| Common Stock | 09/04/2007 | S | 400 | D | \$ 29.1 | 2,564 | D |
| Common Stock | 09/04/2007 | S | 500 | D | \$ 29.12 | 2,064 | D |
| Common Stock | 09/04/2007 | S | 100 | D | \$ 29.13 | 1,964 | D |

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

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(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 Securities (Instr. 3 and 4) | | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--------------|----------------------------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| Employee Stock Option (Right to buy) | \$ 8.52 | 09/04/2007 | | M | 10,419 | <u>(1)</u> | 05/26/2008 | Common Stock | 10,419 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|--------------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| AXELSSON ANDERS 550 MERIDIAN AVE SAN JOSE, CA 95126 | | | Senior VP of Sales & Marketing | |

Signatures

/s/ Oliver R. Stanfield, attorney-in-fact for Anders B. Axelsson

09/05/2007

**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).

The Reporting Person exercised 10,419 of the 100,001 share option granted on April 22, 2005. Previous vesting was such that this

(1) 100,001 share option vested as to 70,834 shares on April 22, 2006 and as to 2,083 on each one month anniversary thereafter; however, on November 18, 2005 vesting was accelerated in full.

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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