

OSHMANN M KENNETH
 Form 4
 May 03, 2011

FORM 4

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

OMB APPROVAL

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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 *
 OSHMAN M KENNETH

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

3. Date of Earliest Transaction (Month/Day/Year)
 05/01/2011

Director 10% Owner
 Officer (give title below) Other (specify below)
 Executive Chairman

SAN JOSE, CA 95126

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

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

(City) (State) (Zip)

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	05/01/2011		M		1,694	A	<u>(11)</u> 1,694	D	
Common Stock	05/01/2011		F		621	D	\$ 9.365 1,073	D	
Common Stock	05/02/2011		G	V	1,073	D	\$ 0 0	D	
Common Stock	05/02/2011		G	V	1,073	A	\$ 0 1,831,209	I	See footnote (1)
Common Stock	05/03/2011		S		1,073	D	\$ <u>(12)</u> 8.9521 1,830,136	I	See footnote

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Common Stock	210,492	I	(1) See footnote (2)
Common Stock	210,492	I	See footnote (3)
Common Stock	89,508	I	See footnote (4)
Common Stock	89,508	I	See footnote (5)
Common Stock	98,107	I	See footnote (6)
Common Stock	98,107	I	See footnote (7)
Common Stock	268,638	I	See footnote (9)
Common Stock	268,638	I	See footnote (10)
Common Stock	488,428	I	See footnote (8)

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)
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			Code	V	(A)	(D)	Date	Expiration	Title	Amount
							Exercisable	Date		or Number of Shares
Performance Shares	(11)	05/01/2011	M			1,694	(13)	03/01/2013	Common Stock	1,694

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
OSHMAN M KENNETH 550 MERIDIAN AVE SAN JOSE, CA 95126	X		Executive Chairman	

Signatures

/s/ Oliver R. Stanfield, attorney-in-fact for M. Kenneth Oshman
Date: 05/03/2011

__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) These shares are held by the Oshman Trust dated July 10, 1979 (the "Oshman Living Trust"), of which the Reporting Person and his spouse, Barbara S. Oshman, serve as co-trustees.
- (2) These shares are held by the M. Kenneth Oshman 2010A Annuity Trust dated August 18, 2010.
- (3) These shares are held by the Barbara S. Oshman 2010A Annuity Trust dated August 18, 2010.
- (4) These shares are held by the M. Kenneth Oshman 2009A Annuity Trust dated August 4, 2009.
- (5) These shares are held by the Barbara S. Oshman 2009A Annuity Trust dated August 4, 2009.
- (6) These shares are held by the M. Kenneth Oshman 2010 Annuity Trust dated February 23, 2010.
- (7) These shares are held by the Barbara S. Oshman 2010 Annuity Trust dated February 23, 2010.
- (8) These shares are held by O-S Ventures, a general partnership, of which M. Kenneth Oshman is general partner.
- (9) These shares are held by the M. Kenneth Oshman 2011 Annuity Trust #1 dated February 25, 2011.
- (10) These shares are held by the Barbara S. Oshman 2011 Annuity Trust #1 dated February 25, 2011.
- (11) Each performance share represents the right to receive one share of the Issuer's Common Stock.
- (12) This trade was executed pursuant to a Rule 10b5-1 trading plan adopted on March 7, 2011.
- (13) 1,694 of the 40,651 shares granted to M. Kenneth Oshman under the Issuer's 1997 Stock Plan were vested and released to M. Kenneth Oshman effective May 1, 2011. Such 40,651 share grant vests at the following rate: 1/24th of such shares on March 1, 2011 and on each one-month anniversary thereafter.

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.