

OSHAMAN TRUST DATED 7 10 1979
Form 4
December 03, 2010

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

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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 *
OSHAMAN 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)
11/23/2010

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 (D) Price | | | |
| Common Stock | 11/23/2010 | | G | V 1,204,282 D \$ 0 | 1,625,854 | I | See footnote (1) |
| Common Stock | 11/23/2010 | | G | V 1,204,282 A \$ 0 | 1,204,282 | I | See footnote (12) |
| Common Stock | 12/01/2010 | | M | 3,404 A (13) 3,404 | | D | |
| Common Stock | 12/01/2010 | | F | 1,588 D \$ 9.75 | 1,816 | D | |
| | 12/02/2010 | | G | V 1,816 D \$ 0 | 0 | D | |

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| | | | | | | | | | |
|--------------|------------|---|---|-------------------|---|---------------------------------|-----------|---|--------------------------|
| Common Stock | | | | | | | | | |
| Common Stock | 12/02/2010 | G | V | 1,816 | A | \$ 0 | 1,627,670 | I | See footnote <u>(1)</u> |
| Common Stock | 12/02/2010 | S | | 1,816 <u>(15)</u> | D | \$ <u>9.7309</u> <u>(11)</u> | 1,625,854 | I | See footnote <u>(1)</u> |
| Common Stock | | | | | | | 210,492 | I | See footnote <u>(2)</u> |
| Common Stock | | | | | | | 210,492 | I | See footnote <u>(3)</u> |
| Common Stock | | | | | | | 293,220 | I | See footnote <u>(4)</u> |
| Common Stock | | | | | | | 293,220 | I | See footnote <u>(5)</u> |
| Common Stock | | | | | | | 89,508 | I | See footnote <u>(6)</u> |
| Common Stock | | | | | | | 89,508 | I | See footnote <u>(7)</u> |
| Common Stock | | | | | | | 181,558 | I | See footnote <u>(8)</u> |
| Common Stock | | | | | | | 181,558 | I | See footnote <u>(9)</u> |
| Common Stock | | | | | | | 488,428 | I | See footnote <u>(10)</u> |

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

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SEC 1474
(9-02)

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

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| 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) | Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|
| Performance Shares | (13) | 12/01/2010 | | M | 3,404 | (14) 03/10/2011 | Common Stock | 3,404 |

Reporting Owners

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

Signatures

/s/ Oliver R. Stanfield, attorney-in-fact for M. Kenneth Oshman
 12/03/2010
 **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, 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 2009 Annuity Trust dated February 20, 2009.
- (5) These shares are held by the Barbara S. Oshman 2009 Annuity Trust dated February 20, 2009.

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- (6) These shares are held by the M. Kenneth Oshman 2009A Annuity Trust dated August 4, 2009.
- (7) These shares are held by the Barbara S. Oshman 2009A Annuity Trust dated August 4, 2009.
- (8) These shares are held by the M. Kenneth Oshman 2010 Annuity Trust dated February 23, 2010.
- (9) These shares are held by the Barbara S. Oshman 2010 Annuity Trust dated February 23, 2010.
- (10) These shares are held by O-S Ventures, a general partnership, of which M. Kenneth Oshman is general partner.
The 1,816 shares were sold through separate trades, with the sale prices ranging from \$9.73 to \$9.7325 and at a weighted average sale price of \$9.7309. The Reporting Person undertakes to provide upon request by the staff of the Securities and Exchange Commission, the issuer, or a security holder of the issuer, full information regarding the number of shares sold at each separate sale price.
- (11) These shares are held by Barbara S. Oshman as her sole and separate property. M. Kenneth Oshman disclaims beneficial ownership of such shares.
- (12) Each performance share represents the right to receive one share of the Issuer's Common Stock.
3,404 of the 40,850 shares granted to M. Kenneth Oshman under the Issuer's 1997 Stock Plan were vested and released to M. Kenneth Oshman effective December 1, 2010. Such 40,850 share grant vests at the following rate: 1/12th of such shares on April 1, 2010 and on each one-month anniversary thereafter.
- (13) This trade was executed pursuant to a Rule 10b5-1 trading plan that was adopted on May 20, 2010.

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