

OSHAMAN TRUST DATED 7 10 1979  
 Form 4  
 September 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 \*  
 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)  
 08/11/2010

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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
|                                 |                                      |  | Code                           | V Amount (A) or (D) Price   |   |  |                                   |
| Common Stock                    | 08/11/2010                           |  | G                              | V 45,500 D \$ 0   | 2,830,136   | I  | See footnote (1)                  |
| Common Stock                    | 09/01/2010                           |  | M                              | 3,405 A (12)  | 3,405   | D  |                                   |
| Common Stock                    | 09/01/2010                           |  | F                              | 1,248 D \$ 7.87   | 2,157   | D  |                                   |
| Common Stock                    | 09/02/2010                           |  | G                              | V 2,157 D \$ 0  | 0   | D  |                                   |
| Common Stock                    | 09/02/2010                           |  | G                              | V 2,157 A \$ 0  | 2,832,293   | I  | See footnote                      |

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|              |            |   |                      |   |                      |           |   | (1)               |
|--------------|------------|---|----------------------|---|----------------------|-----------|---|-------------------|
| Common Stock | 09/02/2010 | S | <u>2,157</u><br>(13) | D | \$<br>7.9207<br>(14) | 2,830,136 | I | See footnote (1)  |
| Common Stock |            |   |                      |   |                      | 210,492   | I | See footnote (2)  |
| Common Stock |            |   |                      |   |                      | 210,492   | I | See footnote (3)  |
| Common Stock |            |   |                      |   |                      | 293,220   | I | See footnote (4)  |
| Common Stock |            |   |                      |   |                      | 293,220   | I | See footnote (5)  |
| Common Stock |            |   |                      |   |                      | 89,508    | I | See footnote (6)  |
| Common Stock |            |   |                      |   |                      | 89,508    | I | See footnote (7)  |
| Common Stock |            |   |                      |   |                      | 181,558   | I | See footnote (8)  |
| Common Stock |            |   |                      |   |                      | 181,558   | I | See footnote (9)  |
| Common Stock |            |   |                      |   |                      | 488,428   | I | See footnote (10) |

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)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative | 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 | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) |
|--|---|--------------------------------------|--|--------------------------------|--|--|---|
|--|---|--------------------------------------|--|--------------------------------|--|--|---|

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| Security              |      | Disposed of<br>(D)<br>(Instr. 3, 4,<br>and 5) | Code | V | (A) | (D) | Date<br>Exercisable | Expiration<br>Date | Title           | Amount<br>or<br>Number<br>of<br>Shares |
|-----------------------|------|---|------|---|-----|-----|---------------------|--------------------|-----------------|--|
|                       |      |   |      |   |     |     |                     |                    |                 |  |
| Performance<br>Shares | (12) |   |      |   |     |     |                     |                    | Common<br>Stock | 3,405                                  |
|                       |      |   |      |   |     |     | (11)                | 03/10/2011         |                 |  |

## Reporting Owners

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

## Signatures

/s/ Oliver R. Stanfield, attorney-in-fact for M. Kenneth Oshman

09/02/2010

\*\*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.  
  
These shares are held by the M. Kenneth Oshman 2010A Annuity Trust dated August 18, 2010 (the "K. Oshman 2010A Annuity Trust"). 119,915 shares previously reported as indirectly beneficially owned by the M. Kenneth Oshman 2008A Annuity Trust dated August 1, 2008 (the "K. Oshman 2008A Annuity Trust") were transferred from the K. Oshman 2008A Annuity Trust to the K. Oshman 2010A Annuity Trust dated August 18, 2010. Additionally, 90,577 shares previously reported as indirectly beneficially owned by the M. Kenneth Oshman 2009A Annuity Trust dated August 4, 2009 (the "K. Oshman 2009A Annuity Trust") were transferred from the K. Oshman 2009A Annuity Trust to the K. 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 (the "B. Oshman 2010A Annuity Trust"). 119,915 shares previously reported as indirectly beneficially owned by the Barbara S. Oshman 2008A Annuity Trust dated August 1, 2008 (the "B. Oshman 2008A Annuity Trust") were transferred from the B. Oshman 2008A Annuity Trust to the B. Oshman 2010A Annuity Trust dated August 18, 2010. Additionally, 90,577 shares previously reported as indirectly beneficially owned by the Barbara S. Oshman 2009A Annuity Trust dated August 4, 2009 (the "B. Oshman 2009A Annuity Trust") were transferred from the B. Oshman

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2009A Annuity Trust to the B. 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.
- (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.

3,405 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 September 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.

- (12) Each performance share represents the right to receive one share of the Issuer's Common Stock.
- (13) This trade was executed pursuant to a Rule 10b5-1 trading plan that was adopted on May 20, 2010.

The 2,157 shares were sold through separate trades, with the sale prices ranging from \$7.92 to \$7.94, and at a weighted average sale

- (14) price of \$7.9207. M. Kenneth Oshman 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.

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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