BROTZMAN RICHARD W

Form 4

August 30, 2006

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB Number:

3235-0287

Expires:

January 31, 2005

0.5

Estimated average

OMB APPROVAL

burden hours per response...

subject to Section 16. Form 4 or Form 5 obligations may continue.

Check this box

if no longer

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 See Instruction

30(h) of the Investment Company Act of 1940

1(b).

(Print or Type Responses)

1. Name and Address of Reporting BROTZMAN RICHARD W	Person *	2. Issuer Name and Ticker or Trading Symbol NANOPHASE TECHNOLOGIES CORPORATION [NANX]	5. Relationship of Reporting Person(s) to Issuer (Check all applicable)		
(Last) (First) (Marquette DRIVE	Middle)	3. Date of Earliest Transaction (Month/Day/Year) 08/28/2006	Director 10% Owner X_ Officer (give title Other (specify below) VP - Research & Development		
(Street) ROMEOVILLE, IL 60446		4. If Amendment, Date Original Filed(Month/Day/Year)	6. Individual or Joint/Group Filing(Check Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting Person		

(City)	(State)	(Zip)	Table I - Non-I	Derivative Securities Acqu	uired, Disposed o	of, or Bene	eficially Owned
1.Title of	2. Transaction Date	e 2A. Deemed	3.	4. Securities Acquired	5. Amount of	6.	7. Nature

							, F	,	.,
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. 4. Securities Acquired Transaction(A) or Disposed of (D) Code (Instr. 3, 4 and 5) (Instr. 8)			5. Amount of Securities Beneficially Owned Following	6. Ownership Form: Direct (D) or Indirect (I)	7. Nature of Indirect Beneficial Ownership (Instr. 4)	
			Code V	Amount	(A) or (D)	Price	Reported Transaction(s) (Instr. 3 and 4)	(Instr. 4)	
Common Stock	08/28/2006		M	435	A	\$ 3.886	435	D	
Common Stock	08/28/2006		S	435	D	\$ 6.79	0	D	
Common Stock	08/29/2006		M	16,710	A	\$ 3.886	16,710	D	
Common Stock	08/29/2006		S	16,710	D	\$ 6.88	0	D	
Common Stock							3,000	D	

Edgar Filing: BROTZMAN RICHARD W - Form 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. Transactic Code (Instr. 8)	Secu Acqu or D: (D)	rities uired (A) isposed of r. 3, 4,	Expiration Date		7. Title and Amount of Underlying Securities (Instr. 3 and 4)	
				Code V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amour or Number of Shar
Common Stock (right to buy)	\$ 3.886	08/29/2006(1)		M		17,145	11/07/1997 <u>(2)</u>	11/07/2006	Common Stock	21,58
Common Stock (right to buy)	\$ 3.8125						07/31/1999(3)	07/31/2008	Common Stock	40,60
Common Stock (right to buy)	\$ 7.6875						05/24/2001(4)	05/24/2010	Common Stock	22,50
Common Stock (right to buy)	\$ 10.875						01/26/2002(4)	01/26/2011	Common Stock	20,00
Common Stock (right to buy)	\$ 7.0625						02/28/2002(4)	02/28/2011	Common Stock	20,00
Common Stock (right to buy)	\$ 6.65						01/03/2003(4)	01/03/2012	Common Stock	20,00
Common Stock (right to buy)	\$ 3.66						03/24/2004(4)	03/24/2013	Common Stock	20,00

Edgar Filing: BROTZMAN RICHARD W - Form 4

Common

Stock Common 10/11/2005(4) 10/11/2014 \$ 5.55 11,00 (right to Stock

buy)

Common Stock Common 09/27/2006(4) 09/27/2015 \$ 6.03 10,00 (right to Stock

buy)

Reporting Owners

Relationships Reporting Owner Name / Address

> 10% Owner Other Director Officer

BROTZMAN RICHARD W 1319 MARQUETTE DRIVE ROMEOVILLE, IL 60446

VP - Research & Development

Signatures

Richard W. 08/30/2006 Brotzman, Jr.

**Signature of Reporting Date Person

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).
- Dr. Brotzman sold 435 shares on 8/28/2006 and 16,710 shares on 8/29/2006. For ease of presentation in Table II, both transactions are **(1)** included in this line with the latest date being used generically to describe them. Each transaction is disclosed separately in Table I.
- Subject to certain restrictions, 51,485 of this original option grant of 69,480 shares vested in five equal annual installments beginning on 11/07/1997, with the remainder vesting on 11/07/2004.
- **(3)** Subject to certain restrictions, beginning on this date, options vest in five equal installments.
- Subject to certain restrictions, beginning on this date, options vest in three equal annual installments.

Remarks:

The sales reported in this Form 4 were effected pursuant to a rule 10b5-1 plan adopted by Dr. Brotzman on January 3, 2005.

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.

Reporting Owners 3