

NANOPHASE TECHNOLOGIES CORPORATION
 Form 4
 September 29, 2006

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 *
CROSS JOSEPH

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) (Middle)
 1319 MARQUETTE DRIVE
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 09/27/2006

Director 10% Owner
 Officer (give title below) Other (specify below)
 President & CEO

ROMEDEVILLE, IL 60446
 (City) (State) (Zip)

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

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)
Common Stock				(A) or (D) Price	6,500	D	

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)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount Number of Shares
Common Stock (right to buy)	\$ 2.9375					11/09/1999 ⁽¹⁾	11/09/2008	Common Stock	100,000
Common Stock (right to buy)	\$ 7.6875					05/24/2001 ⁽²⁾	05/24/2010	Common Stock	100,000
Common Stock (right to buy)	\$ 10.875					01/26/2002 ⁽²⁾	01/26/2011	Common Stock	50,000
Common Stock (right to buy)	\$ 7.0625					02/28/2002 ⁽²⁾	02/28/2011	Common Stock	50,000
Common Stock (right to buy)	\$ 6.65					01/03/2003 ⁽²⁾	01/03/2012	Common Stock	55,000
Common Stock (right to buy)	\$ 3.66					03/24/2004 ⁽²⁾	03/24/2013	Common Stock	50,000
Common Stock (right to buy)	\$ 5.55					10/11/2005 ⁽²⁾	10/11/2014	Common Stock	15,000
Common Stock (right to buy)	\$ 6.03					09/27/2006 ⁽²⁾	09/27/2015	Common Stock	15,000
Common Stock (right to buy)	\$ 6.01	09/27/2006		A	20,000	09/27/2007 ⁽²⁾	09/27/2016	Common Stock	20,000

Common
Stock
(right to
buy)

\$ 2.1875

01/04/2000⁽¹⁾ 01/04/2009

Common
Stock 50,0

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
CROSS JOSEPH 1319 MARQUETTE DRIVE ROMEDEVILLE, IL 60446	X		President & CEO	

Signatures

Joseph Cross 09/29/2006

__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) Subject to certain restrictions, beginning on this date, options vest in five equal installments.
- (2) Subject to certain restrictions, beginning on this date, options vest in three equal annual installments.

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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