

OSHAMAN TRUST DATED 7 10 1979
Form 4
September 14, 2010

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2015
Estimated average burden hours per response... 0.5

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 *
OSHAMAN M KENNETH

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

SAN JOSE, CA 95126

(City) (State) (Zip)

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

3. Date of Earliest Transaction
(Month/Day/Year)
09/10/2010

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

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 Indirect Beneficial Ownership (Instr. 4)
			Code	V Amount (A) or (D) Price			
Common Stock	09/10/2010		M	4,687 A (12)	4,687	D	
Common Stock	09/10/2010		F	1,719 D \$ 7.95	2,968	D	
Common Stock	09/13/2010		G V	2,968 D \$ 0	0	D	
Common Stock	09/13/2010		G V	2,968 A \$ 0	2,833,104	I	See footnote (1)
Common Stock	09/14/2010		S	2,968 D \$ 8.1642 (13)	2,830,136	I	See footnote

Edgar Filing: OSHMAN TRUST DATED 7 10 1979 - Form 4

	<u>(14)</u>		<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.

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. 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)
--------------------------------------------	--------------------------------------------------------	--------------------------------------	----------------------------------------------------	--------------------------------	-----------------------------------------------------------------------------------------	----------------------------------------------------------	---------------------------------------------------------------

		Date Exercisable	Expiration Date	Title	Amount or Number of Shares	Code			
						V	(A)	(D)	
Performance Shares	<u>(12)</u>	09/10/2010		M	4,687	<u>(11)</u>	09/10/2012	Common Stock	4,687

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

09/14/2010

__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.
- (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.
- (11) 4,687 of the 18,750 shares granted to M. Kenneth Oshman under the Issuer's 1997 Stock Plan were vested and released to M. Kenneth Oshman effective September 10, 2010. Such 18,750 share grant vests at the following rate: 1/4th of such shares on September 10, 2008

Edgar Filing: OSHMAN TRUST DATED 7 10 1979 - Form 4

and on each one-year 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.

(14) The 2,968 shares were sold through separate trades, with the sale prices ranging from \$8.15 to \$8.20, and at a weighted average sale price of \$8.1642. 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.

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.