

OSHAMAN TRUST DATED 7 10 1979  
 Form 4  
 May 29, 2009

**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

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 \*  
 OSHMAN 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)  
 05/27/2009

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)  
 Chairman of the Board & CEO

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) |   |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|---|
|                                 |                                      |  | Code                           | V   | Amount  | (A) or (D)   | Price                             |   |
| Common Stock                    | 05/27/2009                           |  | M                              |   | 6,250   | A  | 0                                 | D |
| Common Stock                    | 05/27/2009                           |  | F                              |   | 2,690   | D  | \$ 7.12                           | D |
| Common Stock                    | 05/29/2009                           |  | G                              | V   | 3,560   | D  | \$ 0                              | D |
| Common Stock                    | 05/29/2009                           |  | G                              | V   | 3,560   | A  | \$ 0                              | I |
| Common Stock                    |                                      |  |                                |   |   |  | 2,908,607                         | I |
| Common Stock                    |                                      |  |                                |   |   |  | 16,452                            | I |

See footnote (1)

See footnote (2)

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|              |         |   |                         |
|--------------|---------|---|-------------------------|
| Common Stock | 16,452  | I | See footnote <u>(3)</u> |
| Common Stock | 300,000 | I | See footnote <u>(4)</u> |
| Common Stock | 300,000 | I | See footnote <u>(5)</u> |
| Common Stock | 458,326 | I | See footnote <u>(6)</u> |
| Common Stock | 458,326 | I | See footnote <u>(7)</u> |
| Common Stock | 488,428 | I | See footnote <u>(8)</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)

| 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 |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|
|  |  |                                      |  | Code V (A) (D)                 |   | Date Exercisable Expiration Date                         | Title   |                            |
| Performance Shares                         | <u>(9)</u>   | 05/27/2009                           |  | M                              | 6,250   | <u>(10)</u> 05/27/2012                                   | Common Stock  | 6,250                      |

## Reporting Owners

| Reporting Owner Name / Address                              | Relationships |           |                             |       |
|---|---------------|-----------|-----------------------------|-------|
|   | Director      | 10% Owner | Officer                     | Other |
| OSHRMAN M KENNETH<br>550 MERIDIAN AVE<br>SAN JOSE, CA 95126 | X             | X         | Chairman of the Board & CEO |       |
|   |               | X         |                             |       |

OSHMAN TRUST DATED 7 10 1979  
C/O M KENNETH OSHMAN  
ECHELON CORP., 550 MERIDIAN AVE  
SAN JOSE, CA 95126

O S VENTURES  
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

05/29/2009

\_\_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 (the "Oshman Trust"), of which the Reporting Person and his spouse, Barbara S. Oshman, serve as co-trustees.  
  
These shares are held by the M. Kenneth Oshman 2008 Annuity Trust dated February 19, 2008 (the "K. Oshman 2008 Annuity Trust").
- (2) 282,620 shares previously reported as indirectly beneficially owned by the K. Oshman 2008 Annuity Trust were transferred from the K. Oshman 2008 Annuity Trust to the M. Kenneth Oshman 2009 Annuity Trust dated 2/20/09 (the "K. Oshman 2009 Annuity Trust").  
  
These shares are held by the Barbara S. Oshman 2008 Annuity Trust dated February 19, 2008 (the "B. Oshman 2008 Annuity Trust").
- (3) 282,620 shares previously reported as indirectly beneficially owned by the B. Oshman 2008 Annuity Trust were transferred from the B. Oshman 2008 Annuity Trust to the B. Oshman 2009 Annuity Trust dated 2/20/09 (the "B. Oshman 2009 Annuity Trust").
- (4) These shares are held by the M. Kenneth Oshman 2008A Annuity Trust dated August 1, 2008.
- (5) These shares are held by the Barbara S. Oshman 2008A Annuity Trust dated August 1, 2008.  
  
These shares are held by the K. Oshman 2009 Annuity Trust. 175,706 shares previously reported as indirectly beneficially owned by the
- (6) M. Kenneth Oshman Annuity Trust II dated February 15, 2007 (the "K. Oshman 2007 Annuity Trust") were transferred from the K. Oshman 2007 Annuity Trust to the K. Oshman 2009 Annuity Trust.  
  
These shares are held by the B. Oshman 2009 Annuity Trust. 175,706 shares previously reported as indirectly beneficially owned by the
- (7) Barbara S. Oshman Annuity Trust II dated February 15, 2007 (the "B. Oshman 2007 Annuity Trust") were transferred from the B. Oshman 2007 Annuity Trust to the B. Oshman 2009 Annuity Trust.
- (8) These shares are held by O-S Ventures, a general partnership, of which the Reporting Person is general partner.
- (9) Each performance share represents the right to receive one share of the Issuer's Common Stock.  
  
6,250 of the 25,000 shares granted to M. Kenneth Oshman under the Issuer's 1997 Stock Plan were vested and released to M. Kenneth
- (10) Oshman effective May 27, 2009. Such 25,000 share grant vests at the following rate: 1/4th of such shares on May 27, 2009 and on each one year anniversary thereafter.

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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