**ECHELON CORP** Form 4

December 19, 2008

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

**SECURITIES** 

**OMB** Number:

**OMB APPROVAL** 

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if no longer subject to Section 16. Form 4 or Form 5

obligations

Check this box

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

may continue. 30(h) of the Investment Company Act of 1940 See Instruction

1(b).

(Last)

(Print or Type Responses)

1. Name and Address of Reporting Person \* Robert N. Machlin

2. Issuer Name and Ticker or Trading Symbol

5. Relationship of Reporting Person(s) to

Issuer

550 MERIDIAN AVE

(Middle)

ECHELON CORP [ELON]

(Check all applicable)

(First)

3. Date of Earliest Transaction

10% Owner

(Month/Day/Year) 12/17/2008

X\_ Officer (give title below)

Other (specify

Senior VP Products

6. Individual or Joint/Group Filing(Check

4. If Amendment, Date Original

Applicable Line)

Director

Filed(Month/Day/Year)

(Instr. 8)

\_X\_ Form filed by One Reporting Person Form filed by More than One Reporting

Person

SAN JOSE, CA 95126

(City) (State) (Zip)

(Street)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)

2. Transaction Date 2A. Deemed (Month/Day/Year)

Execution Date, if

(Month/Day/Year)

3. 4. Securities TransactionAcquired (A) or Code Disposed of (D)

5. Amount of Securities Beneficially

6. Ownership 7. Nature of Form: Direct Indirect (D) or Indirect Beneficial

Owned Following

Ownership (I) (Instr. 4) (Instr. 4)

(A)

(Instr. 3, 4 and 5)

Reported Transaction(s)

(Instr. 3 and 4) Code V Amount (D) Price

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of SEC 1474 information contained in this form are not (9-02)required to respond unless the form displays a currently valid OMB control number.

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of	2.	3. Transaction Date	3A. Deemed	4.	5. Number of	6. Date Exercisable and	7. Title and Am
Derivative	Conversion	(Month/Day/Year)	Execution Date, if	Transactio	onDerivative	Expiration Date	Underlying Sec
Security	or Exercise		any	Code	Securities Acquired	(Month/Day/Year)	(Instr. 3 and 4)

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(Instr. 3)	Price of Derivative Security		(Month/Day/Year)	(Instr. 8)	(Instr. 8) (A) or Disposed of (D) (Instr. 3, 4, and 5)					
				Code V	(A)	(D)	Date Exercisable	Expiration Date	Title	A C N
Stock Appreciation Right	\$ 7.69	12/17/2008		A	50,000		<u>(1)</u>	12/17/2013	Common Stock	
Stock Appreciation Right	\$ 12.11	12/17/2008		D		75,000	(3)	08/11/2013	Common Stock	,

# **Reporting Owners**

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

Robert N. Machlin 550 MERIDIAN AVE SAN JOSE, CA 95126

Senior VP Products

### **Signatures**

/s/ Oliver R. Stanfield, attorney-in-fact for Robert N. Machlin

12/19/2008

\*\*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).
- Pursuant to the Echelon Corporation 1997 Stock Plan (the ?Plan?), the Reporting Person was granted a stock appreciation right with (1) respect to 50,000 shares of Common Stock. 1/4th of such shares becomes exercisable on December 17, 2009 and each one year anniversary thereafter.
- (2) The Reporting Person agreed to cancellation of a stock appreciation right granted to him on August 11, 2008, in exchange for a stock appreciation right granted under the Plan having a lower per share exercise price.
- Cancellation of a stock appreciation right granted to Reporting Person under the Plan on August 11, 2008 with respect to 75,000 shares of (3) Common Stock. The stock appreciation right was exercisable as to 1/4th of the shares on August 11, 2009 and 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. 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.

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