

AXELSSON ANDERS
Form 4
May 31, 2011

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 *
AXELSSON ANDERS

(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)
05/26/2011

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

___ Director ___ 10% Owner
X Officer (give title below) ___ Other (specify below)
Senior VP of Sales & Marketing

6. Individual or Joint/Group Filing(Check Applicable Line)
X 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	05/26/2011		M		7,750	A	Ⓛ 52,227
Common Stock	05/26/2011		F		2,842	D	\$ 9.44 49,385
Common Stock	05/27/2011		M		2,187	A	Ⓛ 51,572
Common Stock	05/27/2011		F		802	D	\$ 9.44 50,770

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)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Performance Shares	<u>(1)</u>	05/26/2011		M	7,750	<u>(3)</u>	05/26/2014	Common Stock	7,750
Performance Shares	<u>(1)</u>	05/27/2011		M	2,187	<u>(2)</u>	05/27/2012	Common Stock	2,187

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

AXELSSON ANDERS
550 MERIDIAN AVE
SAN JOSE, CA 95126

Senior VP of Sales & Marketing

Signatures

/s/ Oliver R. Stanfield, attorney-in-fact for Anders B. Axelsson

05/31/2011

__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) Each performance share represents the right to receive one share of the Issuer's Common Stock.

(2) 2,187 of the 8,750 shares granted to the Reporting Person under the Issuer's 1997 Stock Plan (the "Plan") were vested and released to the Reporting Person effective May 27, 2011. Such 8,750 share grant vests at the following rate: 1/4th of such shares on May 27, 2009 and on each one year anniversary thereafter.

(3) 7,750 of the 31,000 shares granted to the Reporting person under the Plan were vested and released to the Reporting Person effective May 26, 2011. Such 31,000 share grant vests at the following rate: 1/4th of such shares on May 26, 2011 and on each one year anniversary

Edgar Filing: AXELSSON ANDERS - Form 4

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.