

LIME ENERGY CO.  
Form 4  
February 22, 2007

**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 \*  
Valentine David

(Last) (First) (Middle)  
1280 LANDMEIER RD  
(Street)

ELK GROVE VILLAGE, IL 60007

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
LIME ENERGY CO. [LMEC]

3. Date of Earliest Transaction  
(Month/Day/Year)  
01/24/2007

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)

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
Lime Energy Co Common Stock	01/24/2007		J		3,867	A	(1) 352,900
Lime Energy Co Common Stock	02/01/2007		J		322,653	A	(4) (5) 675,553
Lime Energy Co Common Stock	02/02/2007		J		2,067	A	(2) 677,620

Lime  
Energy Co  
Common  
Stock      02/15/2007      J      933      A      (3)      678,553      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)

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)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Owned Following Transaction (Instr. 5)
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## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Valentine David 1280 LANDMEIER RD ELK GROVE VILLAGE, IL 60007		X		

## Signatures

Tammy Hogue, by power of attorney      02/22/2007  
 \*\*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) A provision for the PIPE Transaction pursuant to which Mr. Valentine received shares required the Company to file and have declared effective by November 3, 2006, a registration statement registering the shares issued as part of the PIPE Transaction. To the extent that the Company failed to have the registration statement declared effective by this date, it is required to pay penalties to the PIPE investors

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at the rate of 1% per month of the purchase price paid by the investors. The Company was not able to have the registration statement declared effective before the November 3, 2006 deadline. All of the investors in the PIPE Transaction agreed to accept shares of the Company's common stock, valued at \$1.00 per share, as payment of this registration penalty. The shares listed here represent the payment due Mr. Valentine for the period from November 4, 2006 through December 31, 2006.

A provision for the PIPE Transaction pursuant to which Mr. Valentine received shares required the Company to file and have declared effective by November 3, 2006, a registration statement registering the shares issued as part of the PIPE Transaction. To the extent that the Company failed to have the registration statement declared effective by this date, it is required to pay penalties to the PIPE investors

- (2) at the rate of 1% per month of the purchase price paid by the investors. The Company was not able to have the registration statement declared effective before the November 3, 2006 deadline. All of the investors in the PIPE Transaction agreed to accept shares of the Company's common stock, valued at \$1.00 per share, as payment of this registration penalty. The shares listed here represent the payment due Mr. Valentine for the period from January 1, 2007 through January 31, 2007.

A provision for the PIPE Transaction pursuant to which Mr. Valentine received shares required the Company to file and have declared effective by November 3, 2006, a registration statement registering the shares issued as part of the PIPE Transaction. To the extent that the Company failed to have the registration statement declared effective by this date, it is required to pay penalties to the PIPE investors

- (3) at the rate of 1% per month of the purchase price paid by the investors. The Company was not able to have the registration statement declared effective before the November 3, 2006 deadline. All of the investors in the PIPE Transaction agreed to accept shares of the Company's common stock, valued at \$1.00 per share, as payment of this registration penalty. The shares listed here represent the payment due Mr. Valentine for the period from February 1, 2007 through February 15, 2007.

In June, 2006, Lime Energy's board of directors approved and the Company announced a 1 for 15 reverse split of its common stock, effective on June 15, 2006. Our common stock has been trading on this basis since that date. Thereafter, on June 29, 2006, the Company closed four transactions including the PIPE Transaction pursuant to which these shares were issued (these four transactions are collectively referred to as the "June 29 Transaction"). All of the June 29 Transactions were premised on the belief of the parties thereto that the 1 for 15 reverse split was completed on June 15, 2006, and all of these transactions valued the Company's common stock at a price of \$1 per share. Subsequently, the Company learned that under Delaware law the reverse split would not be effective until it had been set forth in an amendment to its Certificate of Incorporation approved by its stockholders and filed with the Delaware Secretary of State.

- (4) The Company completed such actions on January 23, 2007 and the reverse split became effective on that date. Upon the filing of the amendment of the Certificate of Incorporation on January 23, 2007 the shares of common stock that were issued in the June 29 Transactions were reduced on a 1 for 15 basis. Since both the Company and the other parties to the June 29 Transactions intended that the
- (5) shares that were issued be post-reverse split shares, following the filing of the amendment and the reverse split becoming effective, the Company offered to each of the recipients of shares in the June 29 Transactions additional shares of common stock (the "Catch-Up Share") so that each would have the specific number of post-reverse split shares that were intended to be issued in those transactions, in satisfaction of any claims such recipients might have in respect of such matter. These Catch Up Shares are the shares being reported here.

### Remarks:

Footnotes 4 and 5 are one complete footnote.

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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