

OSHAMAN TRUST DATED 7 10 1979  
 Form 4  
 May 27, 2010

**FORM 4**

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

OMB APPROVAL

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**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)  
 05/26/2010

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 Ownership (Instr. 4) |   |                  |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|---|------------------|
|                                 |                                      |  | Code                           | V   | Amount or Price (A) or (D)  |  |                                   |   |                  |
| Common Stock                    | 05/27/2010                           |  | M                              |   | 6,250   | A  | (12) 6,250                        | D |                  |
| Common Stock                    | 05/27/2010                           |  | F                              |   | 2,292   | D  | \$ 8.73 3,958                     | D |                  |
| Common Stock                    |                                      |  |                                |   |   |  | 2,875,636                         | I | See footnote (1) |
| Common Stock                    |                                      |  |                                |   |   |  | 119,915                           | I | See footnote (2) |
| Common Stock                    |                                      |  |                                |   |   |  | 119,915                           | I | See footnote (3) |

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|              |         |   |                          |
|--------------|---------|---|--------------------------|
| Common Stock | 293,220 | I | See footnote <u>(4)</u>  |
| Common Stock | 293,220 | I | See footnote <u>(5)</u>  |
| Common Stock | 180,085 | I | See footnote <u>(6)</u>  |
| Common Stock | 180,085 | 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.

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(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                   |  | 6. Date Exercisable and Expiration Date (Month/Day/Year) |                 | 7. Title and Amount of Underlying Security (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|--|--|--|-----------------|---|
|  |  |                                      |  |                                | Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) |  | Date Exercisable   | Expiration Date |   |
| Performance Shares                         | <u>(12)</u>  | 05/26/2010                           |  | A                              | 78,000   |  | <u>(13)</u>  | 05/26/2014      | Common Stock  |
| Performance Shares                         | <u>(12)</u>  | 05/27/2010                           |  | M                              | 6,250  |  | <u>(11)</u>  | 05/27/2012      | Common Stock  |

## Reporting Owners

| Reporting Owner Name / Address        | Relationships |           |                    |       |
|---------------------------------------|---------------|-----------|--------------------|-------|
|                                       | Director      | 10% Owner | Officer            | Other |
| OSHMANN M KENNETH<br>550 MERIDIAN AVE | X             | X         | Executive Chairman |       |

SAN JOSE, CA 95126

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

05/27/2010

\_\_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 2008A Annuity Trust dated August 1, 2008.

(3) These shares are held by the Barbara S. Oshman 2008A Annuity Trust dated August 1, 2008.

(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) 6,250 of the 25,000 shares granted to M. Kenneth Oshman under the Issuer's 1997 Stock Plan (the "Plan") were vested and released to M. Kenneth Oshman effective May 27, 2010. 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.

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

(13) Pursuant to the Plan M. Kenneth Oshman was granted 78,000 performance shares. 1/4th of such shares will vest on May 26, 2011 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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