

ECHELON CORP  
Form 4  
June 06, 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 \*  
**HARRIS RUSSELL**

(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)  
**06/05/2007**

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)  
**Senior VP of Operations**

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 Indirect Beneficial Ownership (Instr. 4)
			Code	V Amount (A) or (D) Price			
Common Stock	06/05/2007		M	6,757 A \$ 8.52	6,757	D	
Common Stock	06/05/2007		F	4,399 D \$ 18.64	2,358	D	
Common Stock	06/05/2007		M	19,423 A \$ 8.52	21,781	D	
Common Stock	06/05/2007		F	12,647 D \$ 18.64	9,134	D	
Common Stock	06/06/2007		S	100 D \$ 17.87	9,034	D	

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Common Stock	06/06/2007	S	3,000	D	\$ 17.86	6,034	D
Common Stock	06/06/2007	S	6,034	D	\$ 17.85	0	D

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 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	
Employee Stock Option (Right to buy)	\$ 8.52	06/05/2007		M	6,757	<u>(1)</u> 03/17/2009	Common Stock	6,757	
Employee Stock Option (Right to buy)	\$ 8.52	06/05/2007		M	19,423	<u>(2)</u> 02/22/2012	Common Stock	19,423	

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
HARRIS RUSSELL 550 MERIDIAN AVE SAN JOSE, CA 95126			Senior VP of Operations	

## Signatures

/s/ Oliver R. Stanfield, attorney-in-fact for Russell  
Harris

06/06/2007

\_\_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) The Reporting Person exercised 6,757 of the 60,000 share option granted on April 22, 2005. Previous vesting was such that this 60,000 share option vested as to 31,250 shares on April 22, 2006 and as to 1,250 on each one month anniversary thereafter; however, on November 18, 2005 vesting was accelerated in full.

(2) The Reporting Person exercised 19,423 of the 25,000 share option granted on April 22, 2005. Previous vesting was such that this 25,000 share option vested as to 100% on April 22, 2006; however, on November 18, 2005 vesting was accelerated in full.

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.