

KERR JOHN K
Form 4
May 24, 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

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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 *
KERR JOHN K

(Last) (First) (Middle)

C/O AWARE INC, 40 MIDDLESEX
TURNPIKE

(Street)

BEDFORD, MA 01730

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
AWARE INC /MA/ [AWRE]

3. Date of Earliest Transaction
(Month/Day/Year)
05/24/2011

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 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		
Common Stock	05/20/2011		M		6,000 (1) \$ 2.52	A	733,746 D
Common Stock	05/20/2011		D		4,800 \$ 3.15	D	728,946 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)

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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
Stock Appreciation Right	\$ 2.52	05/20/2011		M	6,000	(3)	05/20/2019	Common Stock	6,000
Stock Option (right to buy)	\$ 3.44					(4)	05/23/2018	Common Stock	47,500
Stock Option (right to buy)	\$ 5.06					(5)	02/12/2017	Common Stock	36,500 (2)
Stock Option (right to buy)	\$ 6.18					(6)	02/16/2015	Common Stock	27,500 (2)
Stock Option (right to buy)	\$ 3.39					(7)	07/05/2012	Common Stock	10,000 (2)
Stock Option (right to buy)	\$ 3.74					(8)	09/21/2011	Common Stock	10,000 (2)
Stock Option (right to buy)	\$ 7.42					(9)	07/19/2011	Common Stock	10,000 (2)

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
KERR JOHN K C/O AWARE INC 40 MIDDLESEX TURNPIKE BEDFORD, MA 01730		X		

Signatures

/s/ John K. Kerr 05/24/2011
 **Signature of Date
 Reporting Person

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) On May 20, 2011 1,200 shares were issued pursuant to Mr. Kerr's Stock Appreciation Right award as a result of the termination of his services to the Aware, Inc. board of directors.
- (2) Option was amended on September 9, 2009; the holder shall now have the right to exercise this option within two years after the date of termination of services, but not later than the expiration date of the agreement.
- (3) Vests in 8 equal quarterly installments on the last day of each quarter from June 30, 2009 through March 31, 2011 and is exercisable upon the date the reporting person ceases to serve on the board of directors of Aware, Inc. or expiration, whichever is sooner.
- (4) Vests in 8 equal quarterly installments on the last day of each quarter from June 30, 2008 through March 31, 2010.
- (5) Vests in 16 equal quarterly installments on the last day of each quarter from March 31, 2007 through December 31, 2010.
- (6) Vests in full on February 16, 2005.
- (7) Vests in 16 equal quarterly installments of 6.25%, beginning as of September 30, 2002, until fully vested.
- (8) Vests in 16 equal quarterly installments of 6.25%, beginning as of September 30, 2001, until fully vested.
- (9) 25% vests on July 19, 2001, the remaining 75% vests in 12 equal quarterly installments of 6.25%, until fully vested.

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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