

O S VENTURES  
Form 4  
February 05, 2008

**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 \*  
OSHMANN 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)  
02/01/2008

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)  
Chairman of the Board & CEO

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                    | 02/01/2008                           |  | M                              | 33,259 A  | \$ 33,259   | D  |   |
| Common Stock                    | 02/01/2008                           |  | F                              | 12,360 D  | \$ 13.59 20,899   | D  |   |
| Common Stock                    | 02/05/2008                           |  | G V                            | 20,899 D  | \$ 0 0  | D  |   |
| Common Stock                    | 02/05/2008                           |  | G V                            | 20,899 A  | \$ 0 3,543,434  | I  | See footnote (2)                                      |
| Common Stock                    |                                      |  |                                |   | 333,661   | I  | See footnote  |

|              |         |   | (3)              |
|--------------|---------|---|------------------|
| Common Stock | 266,339 | I | See footnote (4) |
| Common Stock | 333,661 | I | See footnote (5) |
| Common Stock | 266,339 | I | See footnote (6) |
| Common Stock | 488,428 | I | See footnote (7) |

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 Security (Instr. 3 and 4) | Amount or Number of Shares |                            |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|----------------------------|
|  |  |                                      |  | Code                           | V (A) (D)   | Date Exercisable   | Expiration Date   | Title                      | Amount or Number of Shares |
| Performance Shares                         | (1)  | 02/01/2008                           |  | M                              | 33,259  | 02/01/2008   | 02/01/2008  | Common Stock               | 33,259                     |

## Reporting Owners

| Reporting Owner Name / Address                              | Relationships |           |                             |       |
|---|---------------|-----------|-----------------------------|-------|
|   | Director      | 10% Owner | Officer                     | Other |
| OSHMANN M KENNETH<br>550 MERIDIAN AVE<br>SAN JOSE, CA 95126 | X             | X         | Chairman of the Board & CEO |       |
| OSHMANN TRUST DATED 7 10 1979<br>C/O M KENNETH OSHMAN       |               | X         |                             |       |

ECHELON CORP., 550 MERIDIAN AVE  
SAN JOSE, CA 95126

O S VENTURES  
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

02/05/2008

\_\_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) These shares are held by the Oshman Trust dated July 10, 1979 (the "Oshman Trust"), of which the Reporting Person and his spouse, Barbara S. Oshman, serve as co-trustees.
- (3) These shares are held by the M. Kenneth Oshman Annuity Trust dated February 14, 2006.
- (4) These shares are held by the M. Kenneth Oshman Annuity Trust II dated February 15, 2007.
- (5) These shares are held by the Barbara S. Oshman Annuity Trust dated February 14, 2006.
- (6) These shares are held by the Barbara S. Oshman Annuity Trust II dated February 15, 2007.
- (7) These shares are held by O-S Ventures, a general partnership, of which the Reporting Person is general partner.

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.