

OSHMANTRUST DATED 7 10 1979  
 Form 4  
 May 17, 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)  
 05/04/2010

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 |   | 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  | (D) |   |  |                                   | Price            |
| Common Stock                    | 05/04/2010                           |  | G                   | V | 2,810   | D   | \$ 0  | 0  | D                                 |                  |
| Common Stock                    | 05/04/2010                           |  | G                   | V | 2,810   | A   | \$ 0  | 2,880,602  | I                                 | See footnote (1) |
| Common Stock                    | 05/14/2010                           |  | S                   |   | 4,966   | D   | \$ 8.8141 (11)  | 2,875,636  | I                                 | See footnote (1) |
| Common Stock                    |                                      |  |                     |   |   |     |   | 119,915  | I                                 | See footnote (2) |

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|              |         |   |                   |
|--------------|---------|---|-------------------|
| Common Stock | 119,915 | I | See footnote (3)  |
| Common Stock | 293,220 | I | See footnote (4)  |
| Common Stock | 293,220 | I | See footnote (5)  |
| Common Stock | 180,085 | I | See footnote (6)  |
| Common Stock | 180,085 | I | See footnote (7)  |
| Common Stock | 181,558 | I | See footnote (8)  |
| Common Stock | 181,558 | I | See footnote (9)  |
| Common Stock | 488,428 | I | See footnote (10) |

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) | 8. Price of Derivative Security (Instr. 5) | 9. Number of Derivative Securities Beneficially Owned (Instr. 6) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|--|
|  |  |                                      |  |                                |   | Date Exercisable   | Expiration Date   | Title                                      | Amount or Number of  |

## Reporting Owners

| Reporting Owner Name / Address  | Relationships |           |                    |       |
|---|---------------|-----------|--------------------|-------|
|   | Director      | 10% Owner | Officer            | Other |
| OSHMAN M KENNETH<br>550 MERIDIAN AVE<br>SAN JOSE, CA 95126  | X             | X         | Executive Chairman |       |
| O S VENTURES<br>C/O M KENNETH OSHMAN<br>ECHELON CORP., 550 MERIDIAN AVE<br>SAN JOSE, CA 95126                 |               | X         |                    |       |
| OSHMAN TRUST DATED 7 10 1979<br>C/O M KENNETH OSHMAN<br>ECHELON CORP., 550 MERIDIAN AVE<br>SAN JOSE, CA 95126 |               | X         |                    |       |

## Signatures

/s/ Oliver R. Stanfield, attorney-in-fact for M. Kenneth Oshman

05/17/2010

\_\_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) The 4,966 shares were sold through separate trades, with the sale prices ranging from \$8.73 to \$8.92, and at a weighted average sale price of \$8.8141. M. Kenneth Oshman undertakes to provide upon request by the staff of the Securities and Exchange Commission, the issuer, or a security holder of the issuer, full information regarding the number of shares sold at each separate sale price.

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.