

AXELSSON ANDERS  
Form 4  
May 30, 2012

**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 \*  
AXELSSON ANDERS

2. Issuer Name and Ticker or Trading Symbol  
ECHELON CORP [ELON]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
550 MERIDIAN AVE  
  
(Street)

3. Date of Earliest Transaction (Month/Day/Year)  
05/26/2012

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
Senior VP of Strategic Accts

SAN JOSE, CA 95126

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

(City) (State) (Zip)

**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) |
|---------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|----------------------------------------------------------|-----------------------------------|
|                                 |                                      |                                                    |                                | (A) or (D) Code V Amount (D) Price                                |                                                                                               |                                                          |                                   |
| Common Stock                    | 05/26/2012                           |                                                    | M                              | 7,750 A                                                           | 81,277                                                                                        | D                                                        |                                   |
| Common Stock                    | 05/26/2012                           |                                                    | F                              | 2,842 D \$ 3.555                                                  | 78,435                                                                                        | D                                                        |                                   |
| Common Stock                    | 05/27/2012                           |                                                    | M                              | 2,187 A                                                           | 80,622                                                                                        | D                                                        |                                   |
| Common Stock                    | 05/27/2012                           |                                                    | F                              | 802 D \$ 3.555                                                    | 79,820                                                                                        | D                                                        |                                   |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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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) |              |                            |
|--------------------------------------------|--------------------------------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-----------------------------------------------------------------------------------------|----------------------------------------------------------|---------------------------------------------------------------|--------------|----------------------------|
|                                            |                                                        |                                      |                                                    |                                |                                                                                         | Date Exercisable                                         | Expiration Date                                               | Title        | Amount or Number of Shares |
|                                            |                                                        |                                      |                                                    |                                |                                                                                         | Code                                                     | V                                                             | (A)          | (D)                        |
| Performance Shares                         | <u>(1)</u>                                             | 05/26/2012                           |                                                    | M                              | 7,750                                                                                   | <u>(3)</u>                                               | 05/26/2014                                                    | Common Stock | 7,750                      |
| Performance Shares                         | <u>(1)</u>                                             | 05/27/2012                           |                                                    | M                              | 2,187                                                                                   | <u>(2)</u>                                               | 05/27/2012                                                    | Common Stock | 2,187                      |

## Reporting Owners

| Reporting Owner Name / Address                            | Relationships |           |                              |       |
|-----------------------------------------------------------|---------------|-----------|------------------------------|-------|
|                                                           | Director      | 10% Owner | Officer                      | Other |
| AXELSSON ANDERS<br>550 MERIDIAN AVE<br>SAN JOSE, CA 95126 |               |           | Senior VP of Strategic Accts |       |

## Signatures

/s/ Kathleen B. Bloch, attorney-in-fact for Anders B. Axelsson  
 05/30/2012  
 \*\*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.  
2,187 of the 8,750 shares granted to the Reporting Person under the Issuer's 1997 Stock Plan (the "Plan") were vested and released to the
- (2) Reporting Person effective May 27, 2012. Such 8,750 share grant vests at the following rate: 1/4th of such shares on May 27, 2009 and on each one year anniversary thereafter.
- (3) 7,750 of the 31,000 shares granted to the Reporting person under the Plan were vested and released to the Reporting Person effective May 26, 2012. Such 31,000 share grant vests at the following rate: 1/4th of such shares on May 26, 2011 and on each one year anniversary

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thereafter.

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.