

STANFIELD OLIVER R  
Form 4  
December 19, 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 \*  
STANFIELD OLIVER R

(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)  
12/17/2008

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)  
Executive VP and CFO

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 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

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

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SEC 1474  
(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	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative Securities Acquired (A) or	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Underlying (Instr. 3 and
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(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8) Code	Disposed of (D)		Date Exercisable	Expiration Date	Title
				(A)	(D)			
Stock Appreciation Right	\$ 7.69	12/17/2008	A	50,000		12/17/2009	12/17/2010	Common Stock
Employee Stock Option (Right to buy)	\$ 11.61	12/17/2008	D		50,000	<u>(2)</u>	04/10/2011	Common Stock
Stock Appreciation Right	\$ 7.69	12/17/2008	A	50,000		12/17/2009	12/17/2010	Common Stock
Employee Stock Option (Right to buy)	\$ 16.35	12/17/2008	D		100,000	<u>(4)</u>	02/22/2012	Common Stock
Stock Appreciation Right	\$ 7.69	12/17/2008	A	80,000		12/17/2009	12/17/2010	Common Stock
Employee Stock Option (Right to buy)	\$ 10.89	12/17/2008	D		80,000	<u>(6)</u>	03/17/2009	Common Stock
Stock Appreciation Right	\$ 7.69	12/17/2008	A	12,500		<u>(7)</u>	12/17/2013	Common Stock
Stock Appreciation Right	\$ 27.8	12/17/2008	D		37,500	<u>(9)</u>	09/10/2012	Common Stock
Stock Appreciation Right	\$ 7.69	12/17/2008	A	25,000		<u>(10)</u>	12/17/2013	Common Stock
Stock Appreciation Right	\$ 13.32	12/17/2008	D		37,500	<u>(12)</u>	05/27/2013	Common Stock

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
			Executive VP and CFO	

STANFIELD OLIVER R  
550 MERIDIAN AVE.  
SAN JOSE, CA 95126

## Signatures

/s/ Oliver R.  
Stanfield

12/19/2008

\*\*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) The Reporting Person agreed to cancellation of a stock option granted to him on April 10, 2001, in exchange for a stock appreciation right granted under the Echelon Corporation 1997 Stock Plan (the "Plan") having a lower per share exercise price.  
Cancellation of a stock option granted to Reporting Person under the Plan on April 10, 2001 to buy 50,000 shares of Common Stock.
- (2) The option was exercisable as to 1/4th of the shares on April 10, 2002 and as to 1/48th of the shares on each one month anniversary thereafter.
- (3) The Reporting Person agreed to cancellation of a stock option granted to him on February 22, 2002, in exchange for a stock appreciation right granted under the Plan having a lower per share exercise price.  
Cancellation of a stock option granted to Reporting Person under the Plan on February 22, 2002 to buy 100,000 shares of Common Stock.
- (4) The option was exercisable as to 1/4th of the shares on February 22, 2003 and as to 1/48th of the shares on each one month anniversary thereafter.
- (5) The Reporting Person agreed to cancellation of a stock option granted to him on March 17, 2004, in exchange for a stock appreciation right granted under the Plan having a lower per share exercise price.  
Cancellation of a stock option granted to Reporting Person under the Plan on March 17, 2004 to buy 80,000 shares of Common Stock.
- (6) The option was exercisable as to 1/4th of the shares on March 17, 2005 and as to 1/48th of the shares on each one month anniversary thereafter.
- (7) Pursuant to the Plan, the Reporting Person was granted a stock appreciation right with respect to 12,500 shares of Common Stock. 1/4th of such shares becomes exercisable on December 17, 2009 and each one year anniversary thereafter.
- (8) The Reporting Person agreed to cancellation of a stock appreciation right granted to him on September 10, 2007, in exchange for a stock appreciation right granted under the Plan having a lower per share exercise price.  
Cancellation of a stock appreciation right granted to Reporting Person under the Plan on September 10, 2007 with respect to 37,500 shares of Common Stock. The stock appreciation right was exercisable as to 1/4th of the shares on September 10, 2008 and each one year anniversary thereafter.
- (9) Pursuant to the Plan, the Reporting Person was granted a stock appreciation right with respect to 25,000 shares of Common Stock. 1/4th of such shares becomes exercisable on December 17, 2009 and each one year anniversary thereafter.
- (10) The Reporting Person agreed to cancellation of a stock appreciation right granted to him on May 27, 2008, in exchange for a stock appreciation right granted under the Plan having a lower per share exercise price.  
Cancellation of a stock appreciation right granted to Reporting Person under the Plan on May 27, 2008 with respect to 37,500 shares of Common Stock. The stock appreciation right was exercisable as to 1/4th of the shares on May 27, 2009 and each one year anniversary thereafter.
- (11) Pursuant to the Plan, the Reporting Person was granted a stock appreciation right with respect to 25,000 shares of Common Stock. 1/4th of such shares becomes exercisable on December 17, 2009 and each one year anniversary thereafter.
- (12) The Reporting Person agreed to cancellation of a stock appreciation right granted to him on May 27, 2008, in exchange for a stock appreciation right granted under the Plan having a lower per share exercise price.  
Cancellation of a stock appreciation right granted to Reporting Person under the Plan on May 27, 2008 with respect to 37,500 shares of Common Stock. The stock appreciation right was exercisable as to 1/4th of the shares on May 27, 2009 and each one year anniversary 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.