

OSHMANTRUST DATED 7 10 1979  
Form 4  
December 15, 2006

**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

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 \*  
OSHMANTRUST M KENNETH

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)  
11/02/2006

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
Chairman of the Board & CEO

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 Indirect Ownership (Instr. 4)			
				(A) or (D)	Price					
				Code	V	Amount	D	Price		
Common Stock	11/02/2006		G	V	45,600	D	\$ 0	3,572,833	I	By Trust <sup>(1)</sup>
Common Stock								600,000	I	By Trust <sup>(2)</sup>
Common Stock								600,000	I	By Trust <sup>(3)</sup>
Common Stock								488,428	I	By Partnership <sup>(4)</sup>

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.

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 (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. 5)
--	--	--------------------------------------	--	--------------------------------	---	--	---	--	--

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
OSHMAN M KENNETH 550 MERIDIAN AVE SAN JOSE, CA 95126	X	X	Chairman of the Board & CEO	
OSHMAN TRUST DATED 7 10 1979 C/O M KENNETH OSHMAN ECHELON CORP., 550 MERIDIAN AVE SAN JOSE, CA 95126		X		
O S VENTURES C/O M KENNETH OSHMAN ECHELON CORP., 550 MERIDIAN AVE SAN JOSE, CA 95126		X		

## Signatures

/s/ M. Kenneth Oshman  
Date: 12/15/2006

\*\*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 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.

The shares are held by the M. Kenneth Oshman Annuity Trust dated February 14, 2006 (the "K. Oshman Annuity Trust"). These shares  
(2) were previously reported as indirectly beneficially owned by the Oshman Trust and were transferred from the Oshman Trust to the K. Oshman Annuity Trust on February 14, 2006.

The shares are held by the Barbara S. Oshman Annuity Trust dated February 14, 2006 (the "B. Oshman Annuity Trust"). These shares  
(3) were previously reported as indirectly beneficially owned by the Oshman Trust and were transferred from the Oshman Trust to the B. Oshman Annuity Trust on February 14, 2006.

(4) The 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.