

ECHELON CORP
Form SC TO-I/A
October 22, 2004

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

AMENDMENT NO. 3

to

SCHEDULE TO

(Rule 13e-4)

Tender Offer Statement Under Section 14(d)(1) or 13(e)(1)

of the Securities Exchange Act of 1934

Echelon Corporation

(Name of Subject Company (Issuer) and Filing Person (Offeror))

Options to Purchase Common Stock, \$0.01 par value

(Title of Class of Securities)

27874N105

(CUSIP Number of Class of Securities Underlying Options to Purchase Common Stock)

Kathleen B. Bloch, Esq.

General Counsel

Echelon Corporation

550 Meridian Avenue

San Jose, California 95126

(408) 938-5382

(Name, address and telephone number of person authorized to receive notices and
communications on behalf of filing person)

Copies to:

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Professional Corporation

650 Page Mill Road

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CALCULATION OF FILING FEE

Transaction Valuation*	Amount of Filing Fee
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\$33,869,448

Amount of Filing Fee

\$4,292(1)

* Calculated solely for purposes of determining the filing fee. This amount assumes that options to purchase 7,908,347 shares of common stock of Echelon Corporation having an aggregate value of \$33,869,448 as of September 17, 2004 will be exchanged or cancelled pursuant to this offer. The aggregate value of such options was calculated based on the Black-Scholes option pricing model. The amount of the filing fee, calculated in accordance with the Securities Exchange Act of 1934, as amended, equals \$126.70 for each \$1,000,000 of the value of the transaction.

(1) Previously paid.

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Check the box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

Amount Previously Paid: Not applicable.
Form or Registration No.: Not applicable.
Filing party: Not applicable.
Date filed: Not applicable.

Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes below to designate any transactions to which the statement relates:

- third party tender offer subject to Rule 14d-1.
- issuer tender offer subject to Rule 13e-4.
- going-private transaction subject to Rule 13e-3.
- amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer:

This Amendment No. 3 (this Amendment No. 3) amends and supplements the Tender Offer Statement on Schedule TO, dated September 21, 2004 and amended on September 22, 2004 and October 4, 2004 (*Schedule TO*), relating to an offer by Echelon Corporation, a Delaware corporation (the *Company*), to exchange (the *Exchange Offer*) options to purchase an aggregate of 7,908,347 shares of the Company's common stock, whether vested or unvested, that have been granted under its 1997 Stock Plan and that are held by eligible employees.

This Amendment No. 3 is made to report the results of the Exchange Offer. The Schedule TO is hereby amended and supplemented as follows:

The offer expired on October 20, 2004 at 5:00 p.m. Pacific Time. The Company has accepted for cancellation options to purchase 3,816,812 shares of the Company's common stock, which were cancelled as of October 21, 2004. We will issue new options to purchase up to 2,327,334 shares of the Company's common stock in exchange for the options surrendered in the Option Exchange.

This Amendment No. 3 is filed in satisfaction of the reporting requirements of Rule 13e-4(c)(3) promulgated under the Securities Exchange Act of 1934, as amended.

SIGNATURE

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this Amendment No. 3 to Schedule TO is true, complete and correct.

ECHELON CORPORATION

/s/ KATHLEEN B. BLOCH
Kathleen B. Bloch

Senior Vice President and General Counsel

Date: October 22, 2004

INDEX TO EXHIBITS

Exhibit Number	Description
(a)(1)(a)*	Offer to Exchange Certain Outstanding Options for New Options, dated September 21, 2004.
(a)(1)(b)*	Letter from M. Kenneth Oshman, dated September 21, 2004.
(a)(1)(c)*	Election Form.
(a)(1)(d)*	Withdrawal Form.
(a)(1)(e)*	Form of Promise to Grant Stock Options.
(a)(1)(f)*	Form of Option Summary E-mail Communication to Employees.
(a)(1)(g)*	Forms of Reminder E-mail Communication to Employees.
(a)(1)(h)*	Form of Confirmation E-mail to Employees who Elect to Participate in the Stock Option Exchange Program.
(a)(1)(i)*	E-mail Communication from M. Kenneth Oshman, dated September 22, 2004 Regarding a Potential Employee Meeting.
(a)(5)*	Press Release issued by Echelon Corporation on September 21, 2004.
(d)(1)*	Amended and Restated 1997 Stock Plan (filed as Appendix A to Echelon's Definitive Proxy Statement filed on April 12, 2004, and incorporated herein by reference). **
(d)(2)*	Form of 1997 Stock Plan Stock Option Agreement. ***
(g)	Not Applicable.
(h)	Not Applicable.

* Previously filed.

** As described in the Offer to Exchange, option grants made to certain employees outside the United States may be made pursuant to a sub-plan under the 1997 Stock Plan.

*** The form of 1997 Stock Plan Option Agreement may vary for certain employees outside the United States as described in the Offer to Exchange.