

ECHELON CORP  
Form 8-K  
May 11, 2012

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of The**  
**Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported)**

May 10, 2012

**ECHELON CORPORATION**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction)

**000-29748**  
(Commission)

**77-0203595**

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of incorporation)

File Number)

(IRS Employer  
Identification No.)

550 Meridian Avenue

San Jose, California 95126

(Address of principal executive offices, including zip code)

(408) 938-5200

(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- .. Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- .. Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- .. Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- .. Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Item 2.05. Costs Associated with Exit or Disposal Activities**

On May 9, 2012, Echelon Corporation (the Company) began notifying approximately 45 employees whose employment will be terminated as part of an overall plan to reshape the Company for the future. The Company expects to incur severance and other related costs in conjunction with this action. Total charges are expected to include cash costs as well as charges or credits related to stock-based compensation expense, and may include facilities, lease termination, asset impairment and other charges.

The Company cannot currently estimate the total charges it expects to incur in connection with this action. The Company estimates it will incur pre-tax cash charges of \$1.2 million to \$1.7 million for severance pay expenses and related cash expenditures. The Company expects to recognize the majority of these charges in the quarter ending June 30, 2012, with the remaining costs to be recognized through June 30, 2013. The pre-tax cash charge estimate does not include facilities, lease termination or other charges the Company may incur as part of this action. Once the Company is able to better estimate the charges and other information required by subsections (b), (c) and (d) of Item 2.05, the Company will file an amendment to this Form 8-K to reflect such information.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ECHELON CORPORATION

By: /s/ William R. Slakey  
William R. Slakey

Executive Vice President and

Chief Financial Officer

Date: May 10, 2012