SIEGEL RICHARD W

Form 4

February 03, 2006

UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

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0.5

Check this box if no longer

January 31, Expires: 2005

OMB APPROVAL

subject to Section 16. Form 4 or

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES**

Estimated average burden hours per response...

Form 5 obligations may continue. See Instruction

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

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * SIEGEL RICHARD W

(Street)

2. Issuer Name and Ticker or Trading

5. Relationship of Reporting Person(s) to Issuer

Symbol

NANOPHASE TECHNOLOGIES

(Check all applicable)

CORPORATION [NANX] (Last) (First) (Middle)

3. Date of Earliest Transaction

X_ Director 10% Owner Officer (give title _ Other (specify below)

(Month/Day/Year) 1319 MARQUETTE DRIVE 02/01/2006

4. If Amendment, Date Original

6. Individual or Joint/Group Filing(Check

Filed(Month/Day/Year)

Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting

Person

ROMEOVILLE 60446

(City)	(State)	(Zip)	Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned
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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 Acqui on(A) or Disposed of (Instr. 3, 4 and 5) (A) or Amount (D)		of (D)	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 Beneficial Ownership (Instr. 4)
Common Stock							232,372	D	
Common Stock	02/01/2006		M	13,896	A	\$ 1.727	13,896	D	
Common Stock	02/01/2006		S	13,896	D	\$ 7.76	0	D	

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

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number.

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)	Code	5. Number sicorDerivative Securities Acquired or Dispose (D) (Instr. 3, 4 and 5)	ve es d (A) sed of	6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)	
			Code V	/ (A)	(D)	Date Exercisable	Expiration Date	Title	Amour or Numbe of Shar
Common Stock (right to buy)	\$ 1.727	02/01/2006	M	13,896		03/01/1997(1)	03/01/2006	Common Stock	13,89
Common Stock (right to buy)	\$ 3.886					11/07/1997 <u>(2)</u>	11/07/2006	Common Stock	23,16
Common Stock (right to buy)	\$ 5.25					06/10/1999(3)	06/10/2008	Common Stock	2,000
Common Stock (right to buy)	\$ 3.8125					07/31/1999(1)	07/31/2008	Common Stock	11,60
Common Stock (right to buy)	\$ 9.92					06/05/2002(3)	06/05/2011	Common Stock	2,000
Common Stock (right to buy)	\$ 3.78					11/25/2003(3)	11/25/2012	Common Stock	2,000
Common Stock (right to buy)	\$ 5.07					06/26/2004(3)	06/26/2013	Common Stock	2,000
Deferred Common Stock	(4) (6)					<u>(5)</u>	<u>(5)</u>	Common Stock	1,08

Reporting Owners

Reporting Owner Name / Address

Director 10% Owner Officer Other

SIEGEL RICHARD W

1319 MARQUETTE DRIVE X

ROMEOVILLE 60446

Signatures

By Jess Jankowski, under UPA, for Richard W. Siegel 02/03/2006

**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) Subject to certain restrictions, beginning on this date, the options vest in five equal annual installments.
- (2) Subject to certain restrictions, 19,177 of these options vest in five equal annual installments beginning on 11/7/97, with the remainder vesting on 11/7/04.
- (3) Subject to certain restrictions, beginning on this date, the options vest in three equal annual installments.
- 1,081 shares of common stock were to be granted under the Company's 2005 Non-Employee Director Restricted Stock Plan. Such shares are vested immediately but subject to certain transfer restrictions. Pursuant to such plan, the reporting person elected to defer receipt of such shares and receive instead 1,081 shares of deferred common stock which will be accounted for under the Company's Non-Employee Director Deferred Compensation Plan.
- (5) The deferred common stock becomes payable upon the reporting person's termination of service as a director of the Company.
- (6) Each share of deferred common stock represents a right to receive one share of common stock.

Remarks:

Had these options not been exercised they would have expired on 3/1/2006.

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.

Reporting Owners 3