

NANOPHASE TECHNOLOGIES CORPORATION
 Form 4
 November 03, 2006

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 *
JANKOWSKI JESS

2. Issuer Name and Ticker or Trading Symbol
NANOPHASE TECHNOLOGIES CORPORATION [NANX]

5. Relationship of Reporting Person(s) to Issuer
 (Check all applicable)

(Last) (First) (Middle)
1319 MARQUETTE DRIVE
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
11/03/2006

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
Chief Financial Officer

ROMEOVILLE, IL 60446

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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | | (A) or (D) Code V Amount (D) Price | | | |
| Common Stock | | | | | 1,000 | I | Spouse's IRA |
| Common Stock | | | | | 3,300 | D | |
| Common Stock | 11/03/2006 | | M | 4,886 A | \$ 3.886 4,886 | D | |
| Common Stock | 11/03/2006 | | S | 1,094 D | \$ 6.76 3,792 | D | |
| Common Stock | 11/03/2006 | | S | 900 D | \$ 6.77 2,892 | D | |

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| | | | | | | | |
|--------------|------------|---|-------|---|---------|-------|---|
| Common Stock | 11/03/2006 | S | 400 | D | \$ 6.78 | 2,492 | D |
| Common Stock | 11/03/2006 | S | 1,200 | D | \$ 6.79 | 1,292 | D |
| Common Stock | 11/03/2006 | S | 1,292 | D | \$ 6.8 | 0 | D |

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 (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) | | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--------------|----------------------------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| Common Stock (right to buy) | \$ 3.8125 | | | | | 07/31/1999 ⁽¹⁾ | 07/31/2008 | Common Stock | 11,600 |
| Common Stock (right to buy) | \$ 7.6875 | | | | | 05/24/2001 ⁽²⁾ | 05/24/2010 | Common Stock | 21,775 |
| Common Stock (right to buy) | \$ 10.875 | | | | | 01/26/2002 ⁽²⁾ | 01/26/2011 | Common Stock | 13,000 |
| Common Stock (right to buy) | \$ 7.0625 | | | | | 02/28/2002 ⁽²⁾ | 02/28/2011 | Common Stock | 13,000 |
| Common Stock (right to buy) | \$ 6.65 | | | | | 01/03/2003 ⁽²⁾ | 01/03/2012 | Common Stock | 20,000 |

buy)

| | | | | | | | | |
|-----------------------------|----------|------------|---|-------|---------------------------|------------|--------------|--------|
| Common Stock (right to buy) | \$ 3.66 | | | | 03/24/2004 ⁽²⁾ | 03/24/2013 | Common Stock | 18,000 |
| Common Stock (right to buy) | \$ 5.55 | | | | 10/11/2005 ⁽²⁾ | 10/11/2014 | Common Stock | 11,000 |
| Common Stock (right to buy) | \$ 6.03 | | | | 09/27/2006 ⁽²⁾ | 09/27/2015 | Common Stock | 10,000 |
| Common Stock (right to buy) | \$ 6.01 | | | | 09/27/2007 ⁽²⁾ | 09/27/2016 | Common Stock | 15,000 |
| Common Stock (right to buy) | \$ 3.886 | 11/03/2006 | M | 4,886 | 11/07/1997 ⁽³⁾ | 11/07/2006 | Common Stock | 14,475 |
| Common Stock (right to buy) | \$ 1.75 | | | | 07/27/2000 ⁽²⁾ | 07/27/2009 | Common Stock | 8,000 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|-------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| JANKOWSKI JESS 1319 MARQUETTE DRIVE ROMEOVILLE, IL 60446 | | | Chief Financial Officer | |

Signatures

Jess A. Jankowski 11/03/2006

**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, options vest in five equal installments.
- (2) Subject to certain restrictions, beginning on this date, options vest in three equal annual installments.

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- (3) Subject to certain restrictions, beginning on 11/07/1997, 11,986 options vest in five annual installments, with the remainder vesting on 11/7/2004.

Remarks:

Had these options not been exercised, they would have expired on Tuesday, November 7, 2006.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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