NANOPHASE TECHNOLOGIES CORPORATION
Form 4
October 02, 2007

FORM 4

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

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

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).

(Print or Type Responses)

1. Name and Address of Reporting Person *
MCCLUNG JAMES A

(Last) (First) (Middle)

1319 MARQUETTE DRIVE

(Street)

ROMEOVILLE, IL 60446

(City) (State) (Zip)

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

3. Date of Earliest Transaction (Month/Day/Year)
10/01/2007

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer
(Check all applicable)
__X__ Director
_____ 10% Owner
_____ Officer (give title below)
_____ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

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 Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock								10,000	I	By Wife
Common Stock								13,771	D	

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

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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
Stock Option (right to buy)	$ 6.3125							02/03/2001(1)	02/03/2010	Common Stock	10,000
Stock Option (right to buy)	$ 7.625							05/25/2001(1)	05/25/2010	Common Stock	2,000
Stock Option (right to buy)	$ 9.92							06/05/2002(1)	06/05/2011	Common Stock	2,000
Stock Option (right to buy)	$ 3.78							11/25/2003(1)	11/25/2012	Common Stock	2,000
Stock Option (right to buy)	$ 5.07							06/26/2004(1)	06/26/2013	Common Stock	2,000
Deferred Common Stock	(2) (3)	10/01/2007		A		876		(4)	(4)(5)	Common Stock	876

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MCCLUNG JAMES A 1319 MARQUETTE DRIVE ROMEOVILLE, IL 60446	X			

Signatures

By Jess Jankowski under UPA for James A. McClung 10/02/2007

**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 three equal annual installments.

(2) Each share of deferred common stock represents a right to receive one share of common stock.

(3) 876 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 876 shares of deferred common stock which, along with the 6,752 similar shares granted previously, will be accounted for under the Company's Non-Employee Director Deferred Compensation Plan.

(4) The deferred common stock becomes payable upon the reporting person's termination of service as a director of the Company.

(5) Pursuant to such plan, the reporting person elected to defer receipt of such shares and receive 876 shares of deferred common stock, amounting to a cumulative total of 7,628 shares of deferred common stock received (including those received from previous grants) to date, which will all be accounted for under the Company's Non-Employee Director Deferred Compensation Plan.

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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