

Nelson David W
 Form 4
 July 10, 2012

FORM 4

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

OMB APPROVAL

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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 *
 Nelson David W

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)
 07/10/2011

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
 VP Sales & Marketing

ROMEDEVILLE, IL 60446
 (City) (State) (Zip)

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

6. Individual or Joint/Group Filing(Check Applicable Line)
 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 Ownership (Instr. 4)
				(A) or (D) Code V Amount (D) Price			
Common Stock ⁽¹⁾	07/10/2012		X	684 ⁽²⁾ A \$ 0.33	2,684	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)

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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 Security (Instr. 3 and 4)	Amount or Number of Shares
Common Stock (right to buy)	\$ 6.13					04/09/2008 ⁽³⁾ 04/09/2017	Common Stock	35,
Common Stock (right to buy)	\$ 4.48					11/06/2008 ⁽⁴⁾ 11/06/2017	Common Stock	15,
Common Stock (right to buy)	\$ 3.14					05/12/2009 ⁽⁴⁾ 05/12/2018	Common Stock	20,
Common Stock (right to buy)	\$ 1.02					05/04/2010 ⁽⁴⁾ 05/04/2019	Common Stock	30,
Common Stock (right to buy)	\$ 1.7					05/03/2011 ⁽⁴⁾ 05/03/2020	Common Stock	27,
Common Stock (right to buy)	\$ 1.26					05/02/2012 ⁽⁴⁾ 05/02/2021	Common Stock	48,
Subscription Rights (right to buy) ⁽⁵⁾	\$ 0.33	07/10/2012		X	2,000	06/13/2012 07/20/2012	Common Stock	68,

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Nelson David W 1319 MARQUETTE DRIVE ROMEDEVILLE, IL 60446			VP Sales & Marketing	

Signatures

By Jess Jankowski, under UPA, for David W. Nelson 07/10/2012

__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).

- The shares were purchased upon exercise of subscription rights issued pro rata to holders of the issuer's common stock (the "Common Stock") as of the close of business on June 13, 2012 (the "Record Date"), to purchase 0.342 shares of Common Stock for each one share of Common Stock owned as of the close of business on the Record Date at a subscription price of \$0.33 per full share under the basic subscription privilege of the issuer's rights offering. The reporting person also exercised his over-subscription privilege under the rights offering, seeking up to 342 additional shares of Common Stock at the same \$0.33 price. The number of shares of Common Stock purchased by the reporting person pursuant to the exercise of his over-subscription privilege will be subject to availability and the pro rata allocation of shares among persons exercising this over-subscription privilege and will be determined subsequent to the expiration date of the rights offering.
- (1) The shares of Common Stock will be issued to the reporting person upon the expiration of the rights offering.
 - (2) Subject to certain restrictions, beginning on this date, options vest in five equal annual installments.
 - (3) Subject to certain restrictions, beginning on this date, options vest in three equal annual installments.
- The reporting person exercised subscription rights issued pro rata to holders of Common Stock as of the close of business on the Record Date, to purchase 0.342 shares of Common Stock for each one share of Common Stock owned as of the close of business on the Record Date at a subscription price of \$0.33 per full share under the basic subscription privilege of the issuer's rights offering.

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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