

SMITH LENOX SHARON E
Form 4
February 05, 2018

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 *
SMITH LENOX SHARON E

(Last) (First) (Middle)

C/O ENERGY RECOVERY, INC., 1717 DOOLITTLE DRIVE

(Street)

SAN LEANDRO, CA 94577

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
Energy Recovery, Inc. [ERII]

3. Date of Earliest Transaction (Month/Day/Year)
02/01/2018

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

___ Director ___ 10% Owner
 Officer (give title below) ___ Other (specify below)
Corp. Controller & CAO

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 Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | | (A) or (D) Code V Amount (D) Price | | | |
| Common Stock | 02/01/2018 | | F | 54 ⁽¹⁾ D \$ 8.98 ₍₂₎ | 8,533 | D | |
| Common Stock ⁽³⁾ | 02/01/2018 | | A | 5,000 A \$ 7.5 | 13,533 | D | |
| Common Stock | 02/05/2018 | | F | 388 ⁽⁴⁾ D \$ 7.7365 ₍₅₎ | 13,145 | D | |

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

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displays a currently valid OMB control 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) | 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) | 8. Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|
| Employee Stock Option (Right to Buy) | \$ 7.5 | 02/01/2018 | | A | 8,674 | <u>(6)</u> 02/01/2028 | Common Stock | 8,674 |

Reporting Owners

| Reporting Owner Name / Address | Relationships |
|--|---|
| SMITH LENOX SHARON E C/O ENERGY RECOVERY, INC. 1717 DOOLITTLE DRIVE SAN LEANDRO, CA 94577 | Director 10% Owner Officer Other Corp. Controller & CAO |

Signatures

/s/ Derek Ching, Attorney-in-Fact for Sharon Smith-Lenox
Date: 02/05/2018

__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) Payment of tax obligation by withholding securities incident to the vesting of securities in accordance with Rule 16b-3(e).
- (2) Represents the weighted average stock price of the shares withheld for each restricted stock unit award vesting.
- (3) This restricted stock unit award was granted February 1, 2018 and vests 25% on each of the first four anniversaries of the grant date.
- (4) Payment of tax obligation by selling securities incident to the vesting of securities in accordance with Rule 16b-3(e).
- (5) Represents the weighted average stock price of the shares sold to cover tax obligation for restricted stock unit award vesting.

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- (6) This employee stock option was granted on February 1, 2018. 25% of the shares fully vest on the 1st anniversary of the vesting start date; thereafter, the remaining 75%, vest 1/36th per month.

Remarks:

Exhibit 24, Power of Attorney

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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