

NANOPHASE TECHNOLOGIES CORPORATION
 Form 4
 July 25, 2005

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
 Expires: January 31, 2005
 Estimated average burden hours per response... 0.5

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 *
 BROTZMAN RICHARD 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)
 07/21/2005

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
 VP - Research & Development

ROMEDEVILLE, IL 60446

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

(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 Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | Code | V | Amount | (A) or (D) | Price |
| Common Stock | 07/21/2005 | | M | | 2,100 | A | \$ 1.727 |
| Common Stock | 07/21/2005 | | S | | 2,100 | D | \$ 6.95 |
| Common Stock | 07/21/2005 | | M | | 5,480 | A | \$ 3.886 |
| Common Stock | 07/21/2005 | | S | | 5,480 | D | \$ 6.8527 |
| Common Stock | | | | | | | 1,500 |

Edgar Filing: NANOPHASE TECHNOLOGIES CORPORATION - Form 4

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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 |
| Stock Option (right to buy) | \$ 1.727 | 07/21/2005 | | M | 2,100 | 03/01/1997 ⁽¹⁾ | 03/01/2006 | Common Stock | 2,100 |
| Stock Option (right to buy) | \$ 3.886 | 07/27/2005 | | M | 5,480 | 11/07/1997 ⁽²⁾ | 11/07/2006 | Common Stock | 69,480 |
| Stock Option (right to buy) | \$ 3.8125 | | | | | 07/31/1999 ⁽¹⁾ | 07/31/2008 | Common Stock | 40,600 |
| Stock Option (right to buy) | \$ 1.75 | | | | | 07/27/2000 ⁽³⁾ | 07/27/2009 | Common Stock | 15,000 |
| Stock Option (right to buy) | \$ 7.6875 | | | | | 05/24/2001 ⁽³⁾ | 05/24/2010 | Common Stock | 22,500 |
| Stock Option (right to buy) | \$ 10.875 | | | | | 01/26/2002 ⁽³⁾ | 01/26/2011 | Common Stock | 20,000 |
| Stock Option (right to buy) | \$ 7.0625 | | | | | 02/28/2002 ⁽³⁾ | 02/28/2011 | Common Stock | 20,000 |

buy)

Stock

Option
(right to
buy)

\$ 6.65

01/03/2003⁽³⁾ 01/03/2012Common
Stock

20,000

Stock

Option
(right to
buy)

\$ 3.66

03/24/2004⁽³⁾ 03/24/2013Common
Stock

20,000

Stock

Option
(right to
buy)

\$ 5.55

10/11/2005⁽³⁾ 10/11/2014Common
Stock

11,000

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|-----------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| BROTZMAN RICHARD W 1319 MARQUETTE DRIVE ROMEDEVILLE, IL 60446 | | | VP - Research & Development | |

Signatures

/s/ Richard W.
Brotzman, Jr.

07/25/2005

**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, 51,485 of these options vest in five equal annual installments beginning on 11/07/1997, with the remainder vesting on 11/07/2004.
- (3) Subject to certain restrictions, beginning on this date, options vest in three equal annual installments.

Remarks:

The sales reported in this Form 4 were effected pursuant to a Rule 10b5-1 plan adopted by Dr. Brotzman on January 3, 2005.

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.