

NANOPHASE TECHNOLOGIES CORPORATION
 Form 4
 July 17, 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 *
 MCCLUNG JAMES A

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)
 07/16/2012

Director 10% Owner
 Officer (give title below) Other (specify below)

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)
Common Stock ⁽¹⁾	07/16/2012		X	(A) Amount 5,130 ⁽²⁾	\$ 0.33 20,130 ⁽³⁾	I	By Wife
Common Stock ⁽⁴⁾	07/16/2012		X	(A) Amount 2,999 ⁽²⁾	\$ 0.33 11,770 ⁽³⁾	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 Security (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title
Stock Option (right to buy)	\$ 3.78					11/25/2003 ⁽⁵⁾ 11/25/2012	Common Stock
Stock Option (right to buy)	\$ 5.07					06/26/2004 ⁽⁵⁾ 06/26/2013	Common Stock
Stock Option (right to buy)	\$ 1.36 ⁽⁵⁾					01/31/2014 01/31/2021	Common Stock
Deferred Common Stock	⁽⁶⁾					⁽⁷⁾ ⁽⁷⁾⁽⁸⁾	Common Stock
Stock Appreciation Right ⁽⁹⁾	\$ 0.99					⁽⁹⁾ ⁽⁹⁾	Common Stock
Subscription Rights (right to buy) ⁽¹⁰⁾	\$ 0.33	07/16/2012		X	15,000	06/13/2012 07/20/2012	Common Stock
Subscription Rights (right to buy) ⁽¹⁰⁾	\$ 0.33	07/16/2012		X	8,771	06/13/2012 07/20/2012	Common Stock

Reporting Owners

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

Signatures

By Jess Jankowski under UPA for James A. McClung

07/17/2012

**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).

(1) 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 10,260 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.

(2) The shares of Common Stock will be issued to the reporting person upon the expiration of the rights offering.

(3) The reporting person previously reported 5,000 shares as Direct when they are more properly reported as Indirect, the result of which is shown here. The combined holdings of the reporting person are unchanged.

(4) 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 5,998 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.

(5) Subject to certain rights and restrictions, beginning on this date, options vest in three equal annual installments.

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

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

(8) Pursuant to such plan, the reporting person elected to defer receipt of such shares and receive a cumulative total of 21,596 shares of deferred common stock which will all be accounted for under the Company's Non-Employee Director Deferred Compensation Plan.

(9) The stock appreciation right becomes payable upon the reporting person's termination of service as a director of the Company. 2,250 were issued 4/8/2009 at a conversion price of \$0.90, 2,250 were issued 7/1/2009 at a conversion price of \$1.05, 2,250 were issued 10/1/2009 at a conversion price of \$1.18, 2,250 were issued 1/4/2010 at a conversion price of \$0.84, 2,250 were issued 4/1/2010 at a conversion price of \$1.85, 2,250 were issued 7/1/2010 at a conversion price of \$1.10, and 2,250 were issued 10/1/2010 at a conversion price of \$0.99.

(10) 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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