

HARMON JAMES N
Form 4
January 18, 2013

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 *
HARMON JAMES N

2. Issuer Name and Ticker or Trading Symbol
CLEARSIGN COMBUSTION CORP [CLIR]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

12870 INTERURBAN AVENUE SOUTH

(Street)

3. Date of Earliest Transaction (Month/Day/Year)
12/28/2012

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
Chief Financial Officer

SEATTLE, WA 96168

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 Ownership (Instr. 4)
			Code	V	Amount or Price		
Common Stock	12/28/2012		D		62,500 (1)	D	
Common Stock	12/28/2012		A		62,500 (2)	A	

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)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Owned Following Transaction (Instr. 5)
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

HARMON JAMES N
12870 INTERURBAN AVENUE SOUTH
SEATTLE, WA 96168

Chief Financial Officer

Signatures

/s/ James N.

Harmon

01/18/2013

**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).

In September 2011 the Company issued an award of 75,000 shares of common stock (the "2011 Shares") from the Company's 2011 Equity Incentive Plan to Mr. Harmon (the "2011 Award"). All of the 2011 Shares were subject to a right of repurchase by the Company at a price of \$0.0001 per share upon the termination of Mr. Harmon's employment or other circumstances designated in the 2011 Award

(1) agreement. The right of repurchase over the 2011 Shares was to expire ratably and on a quarterly basis over the period beginning on October 1, 2012 and ending on June 30, 2015. On December 28, 2012, the Company amended the 2011 Award, reducing the number of shares subject to the 2011 Award from 75,000 shares of common stock to 12,500 shares of common stock. The amended total of 12,500 of the 2011 Shares are fully vested and no long subject to a repurchase right in favor of the Company.

The Company has a right of repurchase on 60,000 shares at a price of \$0.0001 per share upon the termination of Mr. Harmon's employment or other circumstances designated in the Award agreement. These repurchase rights expire at the rate of 4,000 shares per calendar quarter, beginning on March 31, 2013 and ending on September 30, 2016.

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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