LYDALL INC /DE/ Form 4 December 13, 2010

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB Number:

OMB APPROVAL

3235-0287

Expires:

January 31, 2005

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if no longer subject to Section 16. Form 4 or Form 5

Check this box

obligations may continue. See Instruction

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

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * BARNHART DALE G

2. Issuer Name and Ticker or Trading Symbol

5. Relationship of Reporting Person(s) to

(Check all applicable)

Issuer

below)

(Last)

(First)

(Middle)

(Zip)

LYDALL INC /DE/ [LDL] 3. Date of Earliest Transaction

_X__ Director X_ Officer (give title

10% Owner Other (specify

C/O LYDALL, INC., ONE COLONIAL ROAD, P.O. BOX 151

(Street)

4. If Amendment, Date Original

President & CEO 6. Individual or Joint/Group Filing(Check

Filed(Month/Day/Year)

(Month/Day/Year)

12/09/2010

Applicable Line)

X Form filed by One Reporting Person Form filed by More than One Reporting

D

Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

MANCHESTER, CT 06045-0151

(State)

1.Title of 2. Transaction Date 2A. Deemed Security (Month/Day/Year) Execution Date, if (Instr. 3) (Month/Day/Year)

3. 4. Securities Acquired Transaction(A) or Disposed of Code (D) (Instr. 8) (Instr. 3, 4 and 5)

5. Amount of Securities Beneficially (D) or Owned Following (Instr. 4) Reported

6. Ownership 7. Nature of Form: Direct Indirect Beneficial Indirect (I) Ownership (Instr. 4)

(A)

Transaction(s) (Instr. 3 and 4)

Code V Amount (D) Price

Common Stock

(City)

12/09/2010

45,000 A A (1)

\$0 $202,989^{(2)}$

(9-02)

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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4.

Derivative Security (Instr. 3)	Conversion or Exercise Price of Derivative Security	(Month/Day/Year)	Execution Date, if any (Month/Day/Year)	Transactic Code (Instr. 8)	orDerivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4,	Expiration Date (Month/Day/Year)		Underlying Securities (Instr. 3 and 4)	
				Code V	and 5) (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Share
Option to Buy	\$ 7.8	12/09/2010		A	30,000	12/10/2011(3)	12/09/2020	Common Stock	30,00

5. Number of 6. Date Exercisable and

7. Title and Amount of

Reporting Owners

Reporting Owner Name / Address	Relationships					
. 6	Director	10% Owner	Officer	Other		
BARNHART DALE G						
C/O LYDALL, INC.	X		Dragidant & CEO			
ONE COLONIAL ROAD, P.O. BOX 151	Λ		President & CEO			
MANCHESTER, CT 06045-0151						

Signatures

1. Title of 2.

Paul G. Igoe, Attorney-in-fact, for Dale G.
Barnhart
12/13/2010

3. Transaction Date 3A. Deemed

**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).
- Represents an award of Performance Shares granted under the Company's 2003 Stock Incentive Compensation Plan, which award is subject to a substantial risk of forfeiture and vests, if at all, to the extent determined upon the certification by the Compensation Committee of the Board of Directors of the Company that the Company has achieved certain specified financial performance criteria during the one-year period ending December 31, 2013.
- Includes (i) 12,500 unvested shares subject to time-based restricted stock awards and (ii) 169,000 unvested shares subject to a performance-based restricted stock award.
- (3) Incentive stock options granted under the Amended and Restated Lydall 2003 Stock Incentive Compensation Plan. Options become exercisable at the rate of 25% per year, beginning one year from initial grant date.

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.

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