

Sanders Larry D  
Form 4  
August 31, 2011

**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 \*  
Sanders Larry D

2. Issuer Name and Ticker or Trading Symbol  
LANTRONIX INC [LTRX]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
C/O LANTRONIX, 167  
TECHNOLOGY DRIVE

3. Date of Earliest Transaction  
(Month/Day/Year)  
08/13/2011

\_\_\_\_ Director  
 Officer (give title below)  
\_\_\_\_ 10% Owner  
\_\_\_\_ Other (specify below)  
Interim CEO

(Street)  
IRVINE,, CA 92618

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 Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
				(A) or (D)	Code V Amount (D) Price		

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

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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	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative Securities Acquired	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount Underlying Security (Instr. 3 and 4)
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(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8)	(A) or Disposed of (D) (Instr. 3, 4, and 5)	Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock Option (Right to buy)	\$ 3.06	08/13/2011			D <sup>(1)</sup>			15,101	<u>(1)</u>	06/24/2012	Common Stock	15,101
Stock Option (Right to buy)	\$ 3.06	08/13/2011			A <sup>(1)</sup>		15,101		<u>(1)</u>	08/26/2012	Common Stock	15,101
Stock Option (Right to buy)	\$ 3.18	08/13/2011			D <sup>(2)</sup>			32,704	<u>(2)</u>	06/24/2012	Common STock	32,704
Stock Option (Right to buy)	\$ 3.18	08/13/2011			A <sup>(2)</sup>		32,704		<u>(2)</u>	08/26/2012	Common Stock	32,704

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Sanders Larry D C/O LANTRONIX 167 TECHNOLOGY DRIVE IRVINE,, CA 92618			Interim CEO	

## Signatures

/s/ Glenn Keeler, Attorney-in-fact for Larry D. Sanders	08/31/2011
**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).

The two reported transactions involved an amendment of an outstanding option, resulting in the deemed cancellation of the "old" option  
 (1) and the grant of a replacement option. The option was originally granted on 11/19//2008 and provides for 100% vesting on the first anniversary of the grant.

(2) The two reported transactions involved an amendment of an outstanding option, resulting in the deemed cancellation of the "old" option and the grant of a replacement option. The option was originally granted on 11/18/2009 and provides for commencement of vesting on 11/18/2009 with 50% of the shares vesting on the first anniversary of the grant (11/18/2010) and 1/24 of the remaining shares shall vest

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each month thereafter over a 24 month period, so as to have 100% of the total option grant be vested three years after the 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.

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