

LIME ENERGY CO.

Form 4

February 22, 2007

FORM 4**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

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

OMB APPROVAL

OMB
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(Print or Type Responses)

1. Name and Address of Reporting Person *
KIPHART RICHARD P

(Last) (First) (Middle)

**C/O WILLIAM BLAIR
&COMPANY, LLC, 222 WEST
ADAMS STREET**

(Street)

CHICAGO, IL 60606

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading
Symbol
LIME ENERGY CO. [LMEC]

3. Date of Earliest Transaction
(Month/Day/Year)
01/24/2007

4. If Amendment, Date Original
Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

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

6. Individual or Joint/Group Filing(Check
Applicable Line)
X 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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price		
Lime Energy Co Common Stock	01/24/2007		J		110,200	A	<u>(1)</u>	14,751,172	D
Lime Energy Co Common Stock	02/01/2007		J		13,629,840	A	<u>(4)</u> <u>(5)</u>	28,381,012	D
Lime Energy Co Common	02/02/2007		J		58,900	A	<u>(2)</u>	28,439,912	D

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Stock

Lime

Energy Co
Common

02/15/2007

J

26,600

A

(3)

28,466,512

D

Stock

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 (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. Nu Deriv Secur Bene Own Follo Repor Trans (Instr
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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

KIPHART RICHARD P
C/O WILLIAM BLAIR & COMPANY, LLC
222 WEST ADAMS STREET
CHICAGO, IL 60606

X

Signatures

Tammy Hogue, by power of
attorney

02/22/2007

**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).

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A provision for the PIPE Transaction pursuant to which Mr. Kiphart received shares required the Company to file and have declared effective by November 3, 2006, a registration statement registering the shares issued as part of the PIPE Transaction. To the extent that the Company failed to have the registration statement declared effective by this date, it is required to pay penalties to the PIPE investors

(1) at the rate of 1% per month of the purchase price paid by the investors. The Company was not able to have the registration statement declared effective before the November 3, 2006 deadline. All of the investors in the PIPE Transaction agreed to accept shares of the Company's common stock, valued at \$1.00 per share, as payment of this registration penalty. The shares listed here represent the payment due Mr. Kiphart for the period from November 4, 2006 through December 31, 2006.

A provision for the PIPE Transaction pursuant to which Mr. Kiphart received shares required the Company to file and have declared effective by November 3, 2006, a registration statement registering the shares issued as part of the PIPE Transaction. To the extent that the Company failed to have the registration statement declared effective by this date, it is required to pay penalties to the PIPE investors

(2) at the rate of 1% per month of the purchase price paid by the investors. The Company was not able to have the registration statement declared effective before the November 3, 2006 deadline. All of the investors in the PIPE Transaction agreed to accept shares of the Company's common stock, valued at \$1.00 per share, as payment of this registration penalty. The shares listed here represent the payment due Mr. Kiphart for the period from January 1, 2007 through January 31, 2007.

A provision for the PIPE Transaction pursuant to which Mr. Kiphart received shares required the Company to file and have declared effective by November 3, 2006, a registration statement registering the shares issued as part of the PIPE Transaction. To the extent that the Company failed to have the registration statement declared effective by this date, it is required to pay penalties to the PIPE investors

(3) at the rate of 1% per month of the purchase price paid by the investors. The Company was not able to have the registration statement declared effective before the November 3, 2006 deadline. All of the investors in the PIPE Transaction agreed to accept shares of the Company's common stock, valued at \$1.00 per share, as payment of this registration penalty. The shares listed here represent the payment due Mr. Kiphart for the period from February 1, 2007 through February 15, 2007.

In June, 2006, Lime Energy's board of directors approved and the Company announced a 1 for 15 reverse split of its common stock, effective on June 15, 2006. Our common stock has been trading on this basis since that date. Thereafter, on June 29, 2006, the Company closed four transactions including the PIPE Transaction pursuant to which these shares were issued (these four transactions are collectively referred to as the "June 29 Transaction"). All of the June 29 Transactions were premised on the belief of the parties thereto

(4) that the 1 for 15 reverse split was completed on June 15, 2006, and all of these transactions valued the Company's common stock at a price of \$1 per share. Subsequently, the Company learned that under Delaware law the reverse split would not be effective until it had been set forth in an amendment to its Certificate of Incorporation approved by its stockholders and filed with the Delaware Secretary of State.

The Company completed such actions on January 23, 2007 and the reverse split became effective on that date. Upon the filing of the amendment of the Certificate of Incorporation on January 23, 2007 the shares of common stock that were issued in the June 29 Transactions were reduced on a 1 for 15 basis. Since both the Company and the other parties to the June 29 Transactions intended that the

(5) shares that were issued be post-reverse split shares, following the filing of the amendment and the reverse split becoming effective, the Company offered to each of the recipients of shares in the June 29 Transactions additional shares of common stock (the "Catch-Up Share") so that each would have the specific number of post-reverse split shares that were intended to be issued in those transactions, in satisfaction of any claims such recipients might have in respect of such matter. These Catch Up Shares are the shares being reported here.

Remarks:

Footnotes 4 and 5 are one complete footnote.

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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