

NANOPHASE TECHNOLOGIES CORPORATION
 Form 4
 September 29, 2005

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 *
CROSS JOSEPH

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)
 09/27/2005

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

ROMEDEVILLE, IL 60446

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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | | (A) or (D) Price | | | |
| Common Stock | 09/27/2005 | | A | 2,500 A (3) | 2,500 | D | |
| Common Stock | | | | | 6,500 | D | |

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

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SEC 1474 (9-02)

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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) | | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--------------|----------------------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount Number Shares |
| Stock Option (right to buy) | \$ 2.9375 | | | | | 11/09/1999 ⁽¹⁾ | 11/09/2008 | Common Stock | 100,000 |
| Stock Option (right to buy) | \$ 2.1875 | | | | | 01/04/2000 ⁽¹⁾ | 01/04/2009 | Common Stock | 50,000 |
| Stock Option (right to buy) | \$ 7.6875 | | | | | 05/24/2001 ⁽²⁾ | 05/24/2010 | Common Stock | 100,000 |
| Stock Option (right to buy) | \$ 10.875 | | | | | 01/26/2002 ⁽²⁾ | 01/26/2011 | Common Stock | 50,000 |
| Stock Option (right to buy) | \$ 7.0625 | | | | | 02/28/2002 ⁽²⁾ | 02/28/2011 | Common Stock | 50,000 |
| Stock Option (right to buy) | \$ 6.65 | | | | | 01/03/2003 ⁽²⁾ | 01/03/2012 | Common Stock | 55,000 |
| Stock Option (right to buy) | \$ 3.66 | | | | | 03/24/2004 ⁽²⁾ | 03/24/2013 | Common Stock | 50,000 |
| Stock Option (right to buy) | \$ 5.55 | | | | | 10/11/2005 ⁽²⁾ | 10/11/2014 | Common Stock | 15,000 |
| Stock Option | \$ 6.03 | 09/27/2005 | | A | 15,000 | 09/27/2006 ⁽²⁾ | 09/27/2015 | Common Stock | 15,000 |

(right to
buy)

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|-----------------|-------|
| | Director | 10% Owner | Officer | Other |
| CROSS JOSEPH 1319 MARQUETTE DRIVE ROMEDEVILLE, IL 60446 | X | | President & CEO | |

Signatures

By Jess Jankowski, under UPA for Joseph
Cross

09/29/2005

__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) Subject to certain restrictions, beginning on this date, options vest in five equal annual installments.
- (2) Subject to certain restrictions, beginning on this date, options vest in three equal annual installments
- (3) Issued pursuant to a restricted share grant under the Company's 2004 Equity Compensation Plan.

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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