

TZANNES MICHAEL A  
Form 4  
July 28, 2010

**FORM 4**

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

OMB APPROVAL

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**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 \*  
TZANNES MICHAEL A

(Last) (First) (Middle)

C/O AWARE INC, 40 MIDDLESEX  
TURNPIKE

(Street)

BEDFORD, MA 01730

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
AWARE INC /MA/ [AWRE]

3. Date of Earliest Transaction  
(Month/Day/Year)  
07/26/2010

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
Executive Chairman

6. Individual or Joint/Group Filing(Check Applicable Line)  
 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 Ownership (Instr. 4)
Common Stock				(A) or (D)	91,033	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)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

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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 Security (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount Number of Shares
Unrestricted Stock Award	\$ 0	07/26/2010		A	142,857	(1) (1)	Common Stock 142,857
Stock Appreciation Right	\$ 2.52					(3) 05/20/2019	Common Stock 32,000
Stock Option (right to buy)	\$ 3.44					(4) 05/23/2018	Common Stock 172,000
Stock Option (right to buy)	\$ 6.07					(4) 02/09/2015	Common Stock 1,280,000
Stock Option (right to buy)	\$ 6.07					(4) 02/09/2015	Common Stock 248,000
Stock Option (right to buy)	\$ 6.07					(5) 02/09/2015	Common Stock 550,000
Stock Option (right to buy)	\$ 2.95					(5) 09/08/2014	Common Stock 88,000
Stock Option (right to buy)	\$ 2.95					(6) 09/08/2014	Common Stock 36,000
Stock Option (right to buy)	\$ 3.27					(6) 10/14/2013	Common Stock 30,000
Stock Option (right to buy)	\$ 3.27					(7) 10/14/2013	Common Stock 200,000
Stock Option (right to buy)	\$ 3.27					(7) 10/14/2013	Common Stock 18,000
Stock Option (right to buy)	\$ 3.27					(8) 10/14/2013	Common Stock 41,000
Stock Option (right to buy)	\$ 3.27					(9) 10/14/2013	Common Stock 87,000
Stock Option (right to buy)	\$ 3.27					(10) 10/14/2013	Common Stock 75,000

## Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

TZANNES MICHAEL A  
C/O AWARE INC  
40 MIDDLESEX TURNPIKE  
BEDFORD, MA 01730

X

Executive Chairman

## Signatures

/s/ Michael A.  
Tzannes

07/28/2010

\*\*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) Shares of unrestricted stock awarded to reporting person under Aware, Inc. 2001 Nonqualified Stock Plan. The shares will be issued as follows; 35,714 shares on December 31, 2010, 35,714 shares on June 30, 2011, 35,714 shares on December 31, 2011, and 35,715 shares on June 30, 2012 provided the reporting person is serving as a director, officer or employee of the Company or any subsidiary of the Company on said dates.

(2) Option was amended on September 9, 2009; the holder shall now have the right to exercise this option within two years after the date of termination of services, but not later than the expiration date of the agreement.

(3) Vests in 8 equal quarterly installments on the last day of each quarter from June 30, 2009 through March 31, 2011 and is exercisable upon the date the reporting person ceases to be paid by Aware, Inc. for services or expiration, whichever is sooner.

(4) Vests in 16 equal quarterly installments on the last day of each quarter from June 30, 2008 through March 31, 2012.

(5) Vests in full on February 9, 2005.

(6) 50% vests on September 8, 2004, the remaining 50% vests in 8 equal quarterly installments of 6.25%, beginning as of December 31, 2004, until fully vested.

(7) Vests in full on October 14, 2003.

(8) 75% vests on October 14, 2003, the remaining 25% vests in 4 equal quarterly installments of 6.25%, until fully vested.

(9) 50% vests on October 14, 2003, the remaining 50% vests in 8 equal quarterly installments of 6.25%, until fully vested.

(10) 25% vests on October 14, 2003, the remaining 75% vests in 12 equal quarterly installments of 6.25%, until fully vested.

(11) Option received by reporting person in exchange for cancellation of one or more options on April 3, 2003 pursuant to issuer's option exchange program.

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