

LYDALL INC /DE/  
Form 4  
December 14, 2009

**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 \*  
Turner Erika H

(Last) (First) (Middle)  
C/O LYDALL, INC., ONE COLONIAL ROAD  
(Street)

MANCHESTER, CT 06042

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
LYDALL INC /DE/ [LDL]

3. Date of Earliest Transaction (Month/Day/Year)  
12/11/2009

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)  
VP, CFO & Treasurer

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)
			Code	V	Amount (A) or (D) Price		
Common Stock	12/11/2009		A		7,000 (1) \$ 0 12,035 (3)	D	
Common Stock	12/11/2009		A		12,000 (2) \$ 0 24,035 (3)	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)

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)
Option to Buy	\$ 5.54	12/11/2009		A	2,000	12/11/2010 <sup>(4)</sup> 12/10/2019	Common Stock 2,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Turner Erika H C/O LYDALL, INC. ONE COLONIAL ROAD MANCHESTER, CT 06042			VP, CFO & Treasurer	

## Signatures

Paul G. Igoe, Attorney-in-fact for Erika H. Turner  
12/14/2009

\_\_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) 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. The actual number of Performance Shares that will be allowed to vest, if any, will be 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, 2010. The Performance Shares vest, to the extent determined, in three equal annual installments beginning on December 7, 2011.
- (2) 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, 2012.
- (3) Includes 35 shares acquired by the reporting person under the Issuer's Employee Stock Purchase Plan since the filing of the last Form 4 by the reporting person on November 6, 2009.
- (4) 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.

## Edgar Filing: LYDALL INC /DE/ - Form 4

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