SCHATZ DOUGLAS S
Form 4
December 07, 2010

FORM 4

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

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

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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).

(Print or Type Responses)

1. Name and Address of Reporting Person *
SCHATZ DOUGLAS S

(Last) (First) (Middle)

P.O. BOX 481

(Street)

FORT COLLINS, CO 80522

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
ADVANCED ENERGY INDUSTRIES INC [AEIS]

3. Date of Earliest Transaction (Month/Day/Year)
12/03/2010

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

5. Relationship of Reporting Person(s) to Issuer
(Check all applicable)
__X__ Director
_____ Officer (give title below)
__X__ 10% Owner
_____ 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			
Common Stock	12/03/2010		J(1)(2)		123,322	D	$ 12.17 (1) (2)	4,157,620 (3) (4)	I	By Trust

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

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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 or Number of Shares
Put Option (right to sell) under Prepaid Forward contract	(1) (2)	12/03/2010		J(1)(2)			150,000	12/03/2010	12/03/2010	Common Stock	150,0

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SCHATZ DOUGLAS S P.O. BOX 481 FORT COLLINS, CO 80522	X	X		

Signatures

/s/ Thomas O. McGimpsey (Attorney-in-Fact)	12/07/2010
**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) On December 3, 2010, The Douglas S. Schatz and Jill E. Schatz Family Trust settled a variable prepaid forward contract that was entered into on May 8, 2009 with a securities broker. The contract obligated the Family Trust to deliver to the securities broker up to 150,000 shares of AEIS common stock (or, at the Family Trust's election, an equivalent amount in cash) on the maturity date of the contract, which was December 3, 2010. In exchange for assuming this obligation, the Family Trust received a cash payment of $1,045,230 upon execution of the contract. The Family Trust had pledged 150,000 shares of AEIS common stock to secure its obligations under the contract, but retained dividend and voting righs in such shares during the term of the pledge.

(2) The contract provided that the number of shares of AEIS common stock that the Family Trust would be obligated to deliver to the securities broker on the maturity date would be determined based on the closing price of AEIS common stock on the maturity date. As of the maturity date, such closing price was $12.17, and the Family Trust transferred 123,322 shares of AEIS common stock to the securities broker. The remaining shares were released from the pledge account with the securities broker but immediately were pledged to Silicon Valley Bank as collateral for a line of credit entered into by the Family Trust, Douglas S. Schatz and Jill E. Schatz.

(3) Douglas S. Schatz and Jill E. Schatz, husband and wife, are co-trustees of the Family Trust and may be deemed to be indirect beneficial owners of the shares of AEIS common stock held directly by the Family Trust. Douglas S. Schatz is a director of AEIS and beneficially owns more than 10% of the outstanding common stock of AEIS.

(4)

150,000 shares of AEIS common stock reported on this Form 4 are pledged to a securities broker in connection with a variable prepaid forward contract entered into by the Family Trust, which has a maturity date of December 13, 2010. All other shares of AEIS common stock reported on this Form 4 are held directly by the Family Trust and are pledged to Silicon Valley Bank as collateral for a line of credit entered into by the Family Trust, Douglas S. Schatz and Jill E. Schatz.

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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