KERR JOHN K
Form 4
December 17, 2010

FORM 4

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

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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(Print or Type Responses)

1. Name and Address of Reporting Person *
KERR JOHN K

(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)
12/16/2010

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

__X__ Director _____ 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			
Common Stock	12/16/2010		G	V	6,000 (1)	D	$ 0	695,996	D	
Common Stock	12/16/2010		G	V	8,000 (2)	D	$ 0	687,996	D	
Common Stock	12/16/2010		G	V	8,000 (3)	D	$ 0	679,996	D	
Common Stock	12/16/2010		G	V	8,000 (3)	D	$ 0	671,996	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)		8 D S (I
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Stock Appreciation Right	$ 2.52							(5)	05/20/2019	Common Stock	6,000	
Stock Option (right to buy)	$ 3.44							(6)	05/23/2018	Common Stock	47,500	
Stock Option (right to buy)	$ 5.06							(7)	02/12/2017	Common Stock	36,500 (4)	
Stock Option (right to buy)	$ 6.18							(8)	02/16/2015	Common Stock	27,500 (4)	
Stock Option (right to buy)	$ 2.95							(9)	09/08/2014	Common Stock	15,000 (4)	
Stock Option (right to buy)	$ 2.09							(10)	06/02/2013	Common Stock	40,750 (4)	
Stock Option (right to buy)	$ 3.39							(11)	07/05/2012	Common Stock	10,000 (4)	
Stock Option (right to buy)	$ 3.74							(12)	09/21/2011	Common Stock	10,000 (4)	
Stock Option (right to buy)	$ 7.42							(13)	07/19/2011	Common Stock	10,000 (4)	
Stock Option (right to buy)	$ 8.07							(14)	05/17/2011	Common Stock	10,000 (4)	

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
KERR JOHN K C/O AWARE INC 40 MIDDLESEX TURNPIKE BEDFORD, MA 01730	X			

Signatures

/s/ John K. Kerr	12/17/2010
**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) Represents transfer of shares to the reporting person's son, following which transfer the reporting person no longer has a reportable beneficial interest in the shares.

(2) Represents transfer of shares to the reporting person's daughter, following which transfer the reporting person no longer has a reportable beneficial interest in the shares.

(3) Represents transfer of shares to the reporting person's grandsons, following which transfer the reporting person no longer has a reportable beneficial interest in the shares.

(4) 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.

(5) 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 serve on the board of directors of Aware, Inc. or expiration, whichever is sooner.

(6) Vests in 8 equal quarterly installments on the last day of each quarter from June 30, 2008 through March 31, 2010.

(7) Vests in 16 equal quarterly installments on the last day of each quarter from March 31, 2007 through December 31, 2010.

(8) Vests in full on February 16, 2005.

(9) 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.

(10) Vests in 16 equal quarterly installments of 6.25%, beginning as of June 30, 2003, until fully vested.

(11) Vests in 16 equal quarterly installments of 6.25%, beginning as of September 30, 2002, until fully vested.

(12) Vests in 16 equal quarterly installments of 6.25%, beginning as of September 30, 2001, until fully vested.

(13) 25% vests on July 19, 2001, the remaining 75% vests in 12 equal quarterly installments of 6.25%, until fully vested.

(14) 50% vests on July 1, 2001, the remaining 50% vests in 8 equal quarterly installments of 6.25%, until fully vested.

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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