Nichols Michael L Form 4 January 08, 2013

## FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

**SECURITIES** 

OMB Number:

3235-0287

0.5

Expires: January 31, 2005

**OMB APPROVAL** 

Estimated average burden hours per response...

Check this box if no longer subject to Section 16. Form 4 or Form 5

obligations

may continue.

See Instruction

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

1(b).

(Print or Type Responses)

| 1. Name and Address of Reporting Person * Nichols Michael L | 2. Issuer Name <b>and</b> Ticker or Trading Symbol | 5. Relationship of Reporting Person(s) to Issuer  |  |  |  |
|---|--|---|--|--|--|
|   | KEY TECHNOLOGY INC [KTEC]                          | (Check all applicable)  |  |  |  |
| (Last) (First) (Middle)                                     | 3. Date of Earliest Transaction                    |   |  |  |  |
|   | (Month/Day/Year)                                   | Director 10% Owner  |  |  |  |
| C/O KEY TECHNOLOGY,   | 10/01/2012   | X Officer (give title Other (specif   |  |  |  |
| INC., 150 AVERY STREET                                      |  | below) below) Vice President of R & D   |  |  |  |
| (Street)  | 4. If Amendment, Date Original                     | 6. Individual or Joint/Group Filing(Check Applicable Line) _X_ Form filed by One Reporting PersonForm filed by More than One Reporting Person |  |  |  |
| WALLA WALLA, WA 99362                                       | Filed(Month/Day/Year)                              |   |  |  |  |
| (City) (State) (Zin)  |  |   |  |  |  |

| (City)                               | (State) (Z   | Zip) Table | I - Non-Do  | erivative S   | ecurit           | ies Acq  | quired, Disposed o   | of, or Beneficial                                     | ly Owned |
|--------------------------------------|--|------------|---|---------------|------------------|--|--|---|----------|
| 1.Title of<br>Security<br>(Instr. 3) | 2. Transaction Date 2A. Deemed (Month/Day/Year) Execution Date, i any (Month/Day/Year) |            | 3. 4. Securities Acquired Transaction(A) or Disposed of Code (D) (Instr. 8) (Instr. 3, 4 and 5) |               |                  | 5. Amount of<br>Securities<br>Beneficially<br>Owned<br>Following | 6. Ownership<br>Form: Direct<br>(D) or<br>Indirect (I)<br>(Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |          |
|                                      |  |            | Code V  | Amount        | (A)<br>or<br>(D) | Price  | Reported<br>Transaction(s)<br>(Instr. 3 and 4)                       |   |          |
| Common<br>Stock                      | 10/01/2012   |            | A   | 6,181<br>(1)  | A                | \$0  | 35,183   | D   |          |
| Common<br>Stock                      | 10/01/2012   |            | A   | 12,550<br>(2) | A                | \$0  | 48,459 (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)

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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 | 2.          | 3. Transaction Date | 3A. Deemed         | 4.         | 5.         | 6. Date Exerc | cisable and | 7. Title  | and          | 8. Price of | 9. Nu  |
|-------------|-------------|---------------------|--------------------|------------|------------|---------------|-------------|-----------|--------------|-------------|--------|
| Derivative  | Conversion  | (Month/Day/Year)    | Execution Date, if | Transactio | onNumber   | Expiration D  | ate         | Amoun     | t of         | Derivative  | Deriv  |
| Security    | or Exercise |                     | any                | Code       | of         | (Month/Day/   | Year)       | Underly   | ying         | Security    | Secui  |
| (Instr. 3)  | Price of    |                     | (Month/Day/Year)   | (Instr. 8) | Derivative | e             |             | Securit   | ies          | (Instr. 5)  | Bene   |
|             | Derivative  |                     |                    |            | Securities |               |             | (Instr. 3 | 3 and 4)     |             | Own    |
|             | Security    |                     |                    |            | Acquired   |               |             |           |              |             | Follo  |
|             | •           |                     |                    |            | (A) or     |               |             |           |              |             | Repo   |
|             |             |                     |                    |            | Disposed   |               |             |           |              |             | Trans  |
|             |             |                     |                    |            | of (D)     |               |             |           |              |             | (Instr |
|             |             |                     |                    |            | (Instr. 3, |               |             |           |              |             |        |
|             |             |                     |                    |            | 4, and 5)  |               |             |           |              |             |        |
|             |             |                     |                    |            |            |               |             |           | A manuat     |             |        |
|             |             |                     |                    |            |            |               |             |           | Amount       |             |        |
|             |             |                     |                    |            |            | Date          | Expiration  |           | Or<br>Number |             |        |
|             |             |                     |                    |            |            | Exercisable   | Date        |           | Number       |             |        |
|             |             |                     |                    | C + V      | (A) (D)    |               |             |           | of           |             |        |
|             |             |                     |                    | Code V     | (A) (D)    |               |             |           | Shares       |             |        |

## **Reporting Owners**

Relationships Reporting Owner Name / Address

> Officer Other Director 10% Owner

Nichols Michael L C/O KEY TECHNOLOGY, INC. 150 AVERY STREET WALLA WALLA, WA 99362

Vice President of R & D

## **Signatures**

/s/ Michael L.

**Nichols** 01/08/2013

\*\*Signature of Date Reporting Person

## **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).
- Represents restricted stock award, the restrictions on which shall lapse as to 2,061 shares on September 30, 2013, 2,060 shares on September 30, 2014, and 2,060 shares on September 30, 2015.
- Represents restricted stock award, the restrictions on which shall lapse on September 30, 2015 based on the achievement of certain **(2)** performance criteria measured over a three year period ended Sepember 30, 2015 and continued employment.
- Includes 131 shares purchased on December 31, 2011, 109 shares purchased on March 31, 2012, 171 shares purchased on June 30, 2012, 151 shares purchased on September 30, 2012 and 164 shares purchased on December 31, 2012 under the Key Technology, Inc. Employee Stock Purchase Plan.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.

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