KEY TECHNOLOGY INC

Form 4

October 03, 2013

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB APPROVAL OMB

Number:

3235-0287

Expires:

January 31, 2005

0.5

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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

may continue. See Instruction

1(b).

(Print or Type Responses)

| 1. Name and Address of Reporting Person * Pellegrino Stephen M | | | 2. Issuer Name and Ticker or Trading Symbol KEY TECHNOLOGY INC [KTEC] | 5. Relationship of Reporting Person(s) to Issuer | | | |
|--|----------|----------|---|---|--|--|--|
| (Last) | (First) | (Middle) | 3. Date of Earliest Transaction | (Check all applicable) | | | |
| 150 AVERY STREET | | | (Month/Day/Year) 09/30/2013 | Director 10% Owner Officer (give title Other (specify below) Vice President of Sales | | | |
| | (Street) | | 4. If Amendment, Date Original Filed(Month/Day/Year) | 6. Individual or Joint/Group Filing(Check Applicable Line) _X_ Form filed by One Reporting Person | | | |
| WALLA WALLA, WA 99362 | | | | Form filed by More than One Reporting Person | | | |
| (City) | (State) | (Zip) | Table I - Non-Derivative Securities Acc | uired. Disposed of, or Beneficially Owned | | | |

| (eng) | (State) | Table 1 - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned | | | | | | | | |
|------------|---------------------|--|--------------------------|----------------|--------|--------------|------------------|--------------|--------------|--|
| 1.Title of | 2. Transaction Date | 2A. Deemed | 3. | 4. Securit | ies Ac | quired | 5. Amount of | 6. Ownership | 7. Nature of | |
| Security | (Month/Day/Year) | | | | sposed | of (D) | Securities | Form: Direct | Indirect | |
| (Instr. 3) | | Code (Instr. 3, 4 and 5) | | | 5) | Beneficially | (D) or | Beneficial | | |
| | | (Month/Day/Year) | nth/Day/Year) (Instr. 8) | | | | Owned | Indirect (I) | Ownership | |
| | | | | | | | Following | (Instr. 4) | (Instr. 4) | |
| | | | | | (A) | | Reported | | | |
| | | | | | (A) | | Transaction(s) | | | |
| | | | Code V | Amount | (D) | Price | (Instr. 3 and 4) | | | |
| Common | 00/00/0012 | | _ | (77 (1) | _ | \$ | 54.500 | ъ | | |
| Stock | 09/30/2013 | | F | 677 <u>(1)</u> | D | 13.8 | 54,729 | D | | |
| | | | | | | | | | | |
| Common | 10/01/2013 | | A | 5,381 | A | \$ 0 | 60,110 | D | | |
| Stock | 10/01/2013 | | А | (2) | А | ψÜ | 00,110 | D | | |
| C | | | | 10.024 | | | | | | |
| Common | 10/01/2013 | | A | 10,924 | A | \$ 0 | 71,034 | D | | |
| Stock | | | | (3) | | | , | | | |

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

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number.

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 | e and | 8. Price of | 9. Nu |
|-------------|-------------|---------------------|--------------------|-------------------|------------|---------------|-------------|--------------|-------------|-------------|--------|
| Derivative | Conversion | (Month/Day/Year) | Execution Date, if | TransactionNumber | | Expiration D | ate | Amour | nt of | Derivative | Deriv |
| Security | or Exercise | | any | Code | of | (Month/Day/ | Year) | Underl | ying | Security | Secui |
| (Instr. 3) | Price of | | (Month/Day/Year) | (Instr. 8) | Derivative | e | | Securit | ties | (Instr. 5) | Bene |
| | Derivative | | | | Securities | | | (Instr. : | 3 and 4) | | Owne |
| | Security | | | | Acquired | | | | | | Follo |
| | | | | | (A) or | | | | | | Repo |
| | | | | | Disposed | | | | | | Trans |
| | | | | | of (D) | | | | | | (Instr |
| | | | | | (Instr. 3, | | | | | | |
| | | | | | 4, and 5) | | | | | | |
| | | | | | | | | | Amount | | |
| | | | | | | | | | Amount | | |
| | | | | | | Date | Expiration | | or Namel | | |
| | | | | | | Exercisable | Date | Title Number | | | |
| | | | | C 1 W | (A) (D) | | | | of | | |
| | | | | Code V | (A) (D) | | | , | Shares | | |

Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

Pellegrino Stephen M 150 AVERY STREET WALLA WALLA, WA 99362

Vice President of Sales

Signatures

/s/ Stephen M. Pellegrino 10/03/2013

**Signature of Reporting Date
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).
- (1) Delivery of shares to Company to satisfy tax withholding obligations in connection with lapse of restriction on 2,290 shares.
- (2) Represents restricted stock award, the restrictions on which shall lapse as to 1,794 shares on September 30, 2014, 1,794 shares on September 30, 2015 and 1,793 shares on September 30, 2016.
- (3) Represents restricted stock award, the restrictions on which shall lapse on September 30, 2016 based on the achievement of certain performance criteria measured over a three year period ended September 30, 2016 and continued employment

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