

KEY TECHNOLOGY INC
Form 4
November 17, 2006

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 *
WICHER GORDON

(Last) (First) (Middle)

C/O KEY TECHNOLOGY, INC., 150 AVERY STREET

(Street)

WALLA WALLA, WA 99362

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
KEY TECHNOLOGY INC [KTEC]

3. Date of Earliest Transaction (Month/Day/Year)
11/15/2006

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)
SR VP & GM Americas & Asia

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 Price (D)		
Common Stock	11/15/2006		M		6,835 A \$ 11.75	206,678 ⁽⁵⁾	D
Common Stock	11/15/2006		M		8,165 A \$ 11.75	214,843	D
Common Stock	11/15/2006		M		7,500 A \$ 3	222,343	D
Common Stock	11/15/2006		M		5,625 A \$ 9.7	227,968	D
Common Stock	11/15/2006		F		6,455 D \$ 12.44	221,513	D

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Common Stock	11/15/2006	F	7,712	D	\$ 12.44	213,801	D
Common Stock	11/15/2006	F	1,808	D	\$ 12.44	211,993	D
Common Stock	11/15/2006	F	4,386	D	\$ 12.44	207,607	D

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

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(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. Amount or Number of Shares	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option (right to buy)	\$ 11.75	11/15/2006		M	6,835	<u>(1)</u> 05/22/2008	Common Stock	6,835	
Employee Stock Option (right to buy)	\$ 11.75	11/15/2006		M	8,165	<u>(1)</u> 05/22/2008	Common Stock	8,165	
Employee Stock Option (right to buy)	\$ 3	11/15/2006		M	7,500	<u>(3)</u> 03/08/2007	Common Stock	7,500	
Employee Stock Option (right to buy)	\$ 9.7	11/15/2006		M	5,625	<u>(4)</u> 05/08/2008	Common Stock	5,625	

buy)

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
WICHER GORDON C/O KEY TECHNOLOGY, INC. 150 AVERY STREET WALLA WALLA, WA 99362			SR VP & GM Americas & Asia	

Signatures

Gordon Wicher 11/17/2006

__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).
- (1) 25% of such option became exercisable on May 22, 1999, 2000, 2001, and 2002.
- (2) Not a required reportable field. New SEC software requires a dollar amount; use zero per SEC.
- (3) 25% of such option became exercisable on March 8, 2003, 2004, 2005 and 2006.
- (4) 25% of such option became exercisable on May 8, 2004, 2005, 2006 and 2007.
- (5) Includes 214, 263, 219, and 251 shares purchased on 12/31/05, 3/31/06, 6/30/06 and 9/30/06, respectively, 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.