

PECO II INC
Form SC 13G/A
February 17, 2004

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 13G

**INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT
TO RULES 13d-1(b), (c) AND (d) AND AMENDMENTS THERETO FILED
PURSUANT TO RULE 13d-2(b)**

(Amendment No. 3)¹

PECO II, Inc.

(Name of Issuer)

Common Shares, without par value

(Title of Class of Securities)

705221 10 9

(CUSIP Number)

December 31, 2003

(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

Rule 13d-1(b)

Rule 13d-1(c)

Rule 13d-1(d)

¹ The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be filed for the purpose of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, *see the Notes*).

1. NAME OF REPORTING PERSONS

I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY).

Matthew P. Smith

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

(a) ..

(b) ..

Not Applicable

3. SEC Use Only

4. CITIZENSHIP OR PLACE OF ORGANIZATION

United States

NUMBER OF 5. SOLE VOTING POWER

SHARES

BENEFICIALLY 163,431

OWNED BY 6. SHARED VOTING POWER

EACH

REPORTING 3,007,950

PERSON 7. SOLE DISPOSITIVE POWER

WITH

163,431

8. SHARED DISPOSITIVE POWER

Edgar Filing: PECO II INC - Form SC 13G/A

3,007,950

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

3,171,381

10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES* ..

Not Applicable

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9

14.8%

12. TYPE OF REPORTING PERSON*

IN

1. Names of Reporting Persons.

I.R.S. Identification No. of above persons (entities only).

Linda H. Smith

2. Check the Appropriate Box if a Member of a Group*

(a) ..

(b) ..

Not Applicable

3. SEC Use Only

4. Citizenship or Place of Organization

United States

NUMBER OF 5. Sole Voting Power
SHARES

BENEFICIALLY 7,500

OWNED BY 6. Shared Voting Power
EACH

REPORTING 3,007,950

PERSON 7. Sole Dispositive Power
WITH

7,500

8. Shared Dispositive Power

Edgar Filing: PECO II INC - Form SC 13G/A

3,007,950

9. Aggregate Amount Beneficially Owned by Each Reporting Person

3,015,450

10. Check Box if the Aggregate Amount in Row (9) Excludes Certain Shares*

..

Not Applicable

11. Percent of Class Represented by Amount in Row (9)

14.1%

12. Type of Reporting Person*

IN

*** SEE INSTRUCTIONS BEFORE FILLING OUT!**

PECO II, INC.

Schedule 13G of Matthew P. Smith and Linda H. Smith

Item 1(a). Name of Issuer:

PECO II, Inc.

Item 1(b). Address of Issuer's Principal Executive Offices:

1376 State Route 598, Galion, Ohio 44833

Item 2(a). Name of Person Filing:

Matthew P. Smith and Linda H. Smith. A Joint Filing Agreement is attached hereto as Exhibit A.

Item 2(b). Address of Principal Business Office or, if None, Residence:

1376 State Route 598, Galion, Ohio 44833

Item 2(c). Citizenship:

United States

Item 2(d). Title of Class of Securities:

Common Shares, without par value

Item 2(e). CUSIP Number:

705221 10 9

Item 3: If This Statement is Filed Pursuant to Rules 13d-1(b), or 13d-2(b) or (c), Check Whether the Person Filing is a:

- (a) Broker or dealer registered under Section 15 of the Exchange Act;
- (b) Bank as defined in Section 3(a)(6) of the Exchange Act;
- (c) Insurance company as defined in Section 3(a)(19) of the Exchange Act;
- (d) Investment company registered under Section 8 of the Investment Company Act;
- (e) An investment adviser in accordance with Rule 13d-1(b)(1)(ii)(E);
- (f) An employee benefit plan or endowment fund in accordance with Rule 13d-1(b)(1)(ii)(F);
- (g) A parent holding company or control person in accordance with Rule 13d-1(b)(ii)(G);

- (h) " A savings association as defined in Section 3(b) of the Federal Deposit Insurance Act;
- (i) " A church plan that is excluded from the definition of an investment company under Section 3(c)(14) of the Investment Company Act;
- (j) " Group, in accordance with Rule 13d-1(b)(1)(ii)(J).

Item 4. Ownership.

- (a) Amount beneficially owned:

Matthew P. Smith: An aggregate of 3,171,381 Common Shares are beneficially owned. Of the aggregate amount, 3,000 and 53,931 Common Shares are issuable to Mr. Smith immediately or within 60 days after December 31, 2003 upon the exercise of options granted under the Issuer's 1997 Non-Qualified Stock Option Plan and 2000 Performance Plan, respectively; 106,500 Common Shares are held by Mr. and Mrs. Smith's three children (35,500 Common Shares each), with Mr. Smith serving as custodian; 1,507,950 Common Shares are held by Mr. Smith and his spouse, Linda H. Smith, as joint tenants; 1,000,000 Common Shares are held by Ashwood I, LLC, with Mr. Smith serving as co-manager with Mrs. Smith of the limited liability company; and 500,000 Common Shares are held by Ashwood II, LLC, with Mr. Smith serving as co-manager with Mrs. Smith of the limited liability company. Mr. Smith has voting and dispositive power of the securities held by the children and the limited liability companies

Linda H. Smith: An aggregate of 3,015,450 Common Shares are beneficially owned. Of the aggregate amount, 7,500 Common Shares are held by Mr. and Mrs. Smith's three children (2,500 Common Shares each), with Mrs. Smith serving as custodian; 1,507,950 Common Shares are held by Mrs. Smith and her spouse, Matthew P. Smith, as joint tenants; 1,000,000 Common Shares are held by Ashwood I, LLC, with Mrs. Smith serving as co-manager with Mr. Smith of the limited liability company; and 500,000 Common Shares are held by Ashwood II, LLC, with Mrs. Smith serving as co-manager with Mr. Smith of the limited liability company. Mrs. Smith has voting and dispositive power of the securities held by the children and the limited liability companies.

- (b) Percentage of class:

Matthew P. Smith	14.8%
Linda H. Smith	14.1%

- (c) Number of shares as to which such person has:

- (i) Sole power to vote or direct the vote:

Matthew P. Smith	163,431
Linda H. Smith	7,500

- (ii) Shared power to vote or direct the vote:

Matthew P. Smith	3,007,950
Linda H. Smith	3,007,950

- (iii) Sole power to dispose or direct the disposition of:

Matthew P. Smith	163,431
Linda H. Smith	7,500

(iv) Shared power to dispose or direct the disposition of:

Matthew P. Smith

3,007,950

Linda H. Smith

3,007,950

Item 5. Ownership of Five Percent or Less of a Class.

Not Applicable

Item 6. Ownership of More than Five Percent on Behalf of Another Person.

In their capacities as custodians for their children and as co-managers of Ashwood I, LLC and Ashwood II, LLC, each of Matthew P. Smith and Linda H. Smith has the power to direct the receipt of dividends from, and the proceeds from the sale of, the securities held by the children and the limited liability companies.

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on by the Parent Holding Company or Control Person.

Not Applicable

Item 8. Identification and Classification of Members of the Group.

Not Applicable

Item 9. Notice of Dissolution of Group.

Not Applicable

Item 10. Certifications.

Not Applicable

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: February 17, 2004

/s/ Matthew P. Smith

Matthew P. Smith

/s/ Linda H. Smith

Linda H. Smith

Page 7 of 8 pages

Exhibit A

JOINT FILING AGREEMENT

In accordance with Rule 13d-1(k)(1) promulgated under the Securities Exchange Act of 1934, as amended, the undersigned agree to the joint filing of a Statement on Schedule 13G (including any and all amendments thereto) (the Statement) with respect to the Common Shares, without par value, of PECO II, Inc. beneficially owned by the undersigned, and further agree to the filing of this Agreement as an exhibit thereto. In addition, each party to this Agreement expressly authorizes each other party to this Agreement to file on its behalf any and all amendments to the Statement.

Dated: February 17, 2004

/s/ Matthew P. Smith

Matthew P. Smith

/s/ Linda H. Smith

Linda H. Smith