

MONTGOMERY ROBERT K
 Form 4
 January 18, 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 *
 MONTGOMERY ROBERT K

2. Issuer Name and Ticker or Trading Symbol
 VIRCO MFG CORPORATION
 [VIR]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)
 01/13/2006

Director 10% Owner
 Officer (give title below) Other (specify below)

C/O VIRCO MFG.
 CORPORATION, 2027 HARPERS
 WAY

(Street)

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

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

TORRANCE, CA 90501

(City) (State) (Zip)

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	(D)	Price
Common Stock, par value \$.01 per share	01/13/2006		A		11,951	A	11,951
						D	

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

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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 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 Security (Instr. 3 and 4)	8. Amount or Number of Shares
Non-Employee Stock Option (right to buy)	\$ 7.2	01/13/2006		D ⁽²⁾	2,000	⁽³⁾ 06/07/2015	Common Stock	2,000
Non-Employee Stock Option (right to buy)	\$ 6.89	01/13/2006		D ⁽⁴⁾	2,000	⁽⁵⁾ 06/08/2014	Common Stock	2,000
Non-Employee Stock Option (right to buy)	\$ 8.4	01/13/2006		D ⁽⁶⁾	2,000	⁽⁷⁾ 06/10/2013	Common Stock	2,000
Non-Employee Stock Option (right to buy)	\$ 13.591	01/13/2006		D ⁽⁸⁾	2,200	⁽⁹⁾ 06/18/2012	Common Stock	2,200
Non-Employee Stock Option (right to buy)	\$ 8.165	01/13/2006		D ⁽¹⁰⁾	2,420	⁽¹¹⁾ 06/12/2011	Common Stock	2,420
Non-Employee Stock Option (right to buy)	\$ 8.546	01/13/2006		D ⁽¹²⁾	1,331	⁽¹³⁾ 06/20/2010	Common Stock	1,331

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MONTGOMERY ROBERT K C/O VIRCO MFG. CORPORATION 2027 HARPERS WAY TORRANCE, CA 90501	X			

Signatures

/s/Robert K.
Montgomery

01/18/2006

__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) On January 13, 2006, the Compensation Committee of the Board of Directors of the Issuer approved the grant of the common stock to the Reporting Person disclosed on Table I, in the form of restricted stock units, and the cancellation of the outstanding stock options held by the Reporting Person disclosed on Table II. The cancellation of these option and the grant of these restricted stock units are exempt from Section 16(b) of the Securities Exchange Act of 1934, as amended, pursuant to Rule 16b-3 thereunder.
- (2) The option was originally granted on June 7, 2005.
- (3) This option vests 20% annually beginning June 07, 2006.
- (4) The option was originally granted on June 8, 2004. The reporting Person received 2,000 restricted stock units as consideration for the cancellation.
- (5) This option vests 20% annually beginning June 08, 2005.
- (6) Cancellation of outstanding stock option and grant of replacement restricted stock units. The option was originally granted on June 10, 2003. The Reporting Person received 2,000 restricted stock units as consideration for the cancellation.
- (7) This option vests 20% annually beginning June 10, 2004.
- (8) This option was originally granted on June 18, 2002.
- (9) This option vests 20% annually beginning June 18, 2003.
- (10) This option was originally granted June 12, 2001.
- (11) This option vests 20% annually beginning June 12, 2002.
- (12) The option was originally granted on June 20, 2000.
- (13) This option vests 20% annually beginning June 20, 2001.

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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