

SHANNON MICHAEL L  
Form 4  
May 27, 2009

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2005  
Estimated average burden hours per response... 0.5

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**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 \*  
SHANNON MICHAEL L

(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)

05/14/2009

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)

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 or Price   |  |                                   |
| Common Stock                    | 05/14/2009                           |  | S                              |   | 7,500 (1)<br>\$ 10.25   | D  | 105,624                           |
| Common Stock                    | 05/14/2009                           |  | S                              |   | 700 (1)<br>\$ 10.26   | D  | 104,924                           |
| Common Stock                    | 05/14/2009                           |  | S                              |   | 120 (1)<br>\$ 10.27   | D  | 104,804                           |
| Common Stock                    | 05/18/2009                           |  | S                              |   | 1,500 (1)<br>\$ 10  | D  | 103,304                           |
| Common Stock                    | 05/18/2009                           |  | S                              |   | 600 (1)<br>\$ 10.05   | D  | 102,704                           |

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|              |            |   |                      |   |         |         |   |
|--------------|------------|---|----------------------|---|---------|---------|---|
| Common Stock | 05/19/2009 | S | 270 <sup>(1)</sup>   | D | \$ 10   | 102,434 | D |
| Common Stock | 05/20/2009 | S | 1,530 <sup>(1)</sup> | D | \$ 10   | 100,904 | D |
| Common Stock | 05/22/2009 | S | 3,600 <sup>(1)</sup> | D | \$ 9.7  | 97,304  | D |
| Common Stock | 05/22/2009 | S | 100 <sup>(1)</sup>   | D | \$ 9.73 | 97,204  | D |
| Common Stock | 05/22/2009 | S | 1 <sup>(1)</sup>     | D | \$ 9.8  | 97,203  | D |
| Common Stock | 05/22/2009 | S | 1,900 <sup>(1)</sup> | D | \$ 9.5  | 95,303  | D |
| Common Stock | 05/22/2009 | S | 100 <sup>(1)</sup>   | D | \$ 9.51 | 95,203  | D |
| Common Stock | 05/22/2009 | S | 100 <sup>(1)</sup>   | D | \$ 9.53 | 95,103  | D |
| Common Stock | 05/22/2009 | S | 250 <sup>(1)</sup>   | D | \$ 9.55 | 94,853  | D |
| Common Stock | 05/26/2009 | S | 597 <sup>(1)</sup>   | D | \$ 9.58 | 94,256  | D |
| Common Stock | 05/26/2009 | S | 1,400 <sup>(1)</sup> | D | \$ 9.59 | 92,856  | D |
| Common Stock | 05/26/2009 | S | 200 <sup>(1)</sup>   | D | \$ 9.62 | 92,656  | D |
| Common Stock | 05/26/2009 | S | 400 <sup>(1)</sup>   | D | \$ 9.63 | 92,256  | D |
| Common Stock | 05/26/2009 | S | 400 <sup>(1)</sup>   | D | \$ 9.64 | 91,856  | D |
| Common Stock | 05/26/2009 | S | 3 <sup>(1)</sup>     | D | \$ 9.65 | 91,853  | 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)

**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 | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities | 8. Price of Derivative Security (Instr. 5) | 9. Nu Deriv Secur Bene |
|--|------------------------------------|--------------------------------------|--|--------------------------------|-------------------------|--|--|--|------------------------|
|--|------------------------------------|--------------------------------------|--|--------------------------------|-------------------------|--|--|--|------------------------|

| Derivative Security | Code | V | Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) |     | Date Exercisable | Expiration Date | Title | Amount or Number of Shares | (Instr. 3 and 4) |
|---------------------|------|---|---|-----|------------------|-----------------|-------|----------------------------|------------------|
|                     |      |   | (A)   | (D) |                  |                 |       |                            |                  |

## Reporting Owners

| Reporting Owner Name / Address   | Relationships |           |         |       |
|--|---------------|-----------|---------|-------|
|  | Director      | 10% Owner | Officer | Other |
| SHANNON MICHAEL L<br>C/O KEY TECHNOLOGY, INC.<br>150 AVERY STREET<br>WALLA WALLA, WA 99362 | X             |           |         |       |

## Signatures

/s/ Michael L. Shannon by Michele R. Walters,  
Attorney-In-Fact 05/27/2009

\*\*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) Mr. Shannon advised Key Technology, Inc. that the sale transactions were pursuant to the terms of certain financings related to Mr. Shannon's real estate investment activities secured by Mr. Shannon's Key Technology stock.

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