

MORTON KIRK W
Form 4
November 28, 2005

FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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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 *
MORTON KIRK W

(Last) (First) (Middle)

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

(Street)

WALLA WALLA, X1 99362

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol

KEY TECHNOLOGY INC [KTEC]

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

11/28/2005

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)

President & CEO

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 (D)	Price
Common Stock	11/28/2005		M		2,500	A	\$ 7.563
Common Stock	11/28/2005		M		2,500	A	\$ 8
Common Stock	11/28/2005		M		2,500	A	\$ 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 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
Employee Stock Option (right to buy)	\$ 7.563	11/28/2005		M	2,500	<u>(1)</u> 01/18/2006	Common Stock	2,500
Employee Stock Option (right to buy)	\$ 8	11/28/2005		M	2,500	<u>(2)</u> 02/07/2006	Common Stock	2,500
Employee Stock Option (right to buy)	\$ 3	11/28/2005		M	2,500	<u>(3)</u> 03/08/2007	Common Stock	2,500

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MORTON KIRK W C/O KEY TECHNOLOGY, INC. 150 AVERY STREET WALLA WALLA, X1 99362	X		President & CEO	

Signatures

Kirk W. Morton 11/28/2005

**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) 25 percent of such option is exercisable on January 18, 2002, 2003, 2004 and 2005.

(2) 25 percent of such option is exercisable on February 7, 2002, 2003, 2004 and 2005.

(3) 25 percent of such option is exercisable on March 8, 2003, 2004, 2005 and 2006.

(4) Column 8 is not a required field. New SEC software requires a dollar amount; use zero per SEC.

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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