Camp David M Form 4 September 29, 2006

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB 3235-0287

OMB APPROVAL

Number: January 31, Expires: 2005

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response...

if no longer subject to Section 16. Form 4 or Form 5

Check this box

obligations may continue. See Instruction

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

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * Camp David M	2. Issuer Name and Ticker or Trading Symbol	5. Relationship of Reporting Person(s) to Issuer			
(Last) (First) (Middle)	KEY TECHNOLOGY INC [KTEC] (First) (Middle) 3. Date of Earliest Transaction				
C/O KEY TECHNOLOGY, INC., 150 AVERY STREET	(Month/Day/Year) 09/27/2006	Director 10% OwX Officer (give title Other (spelow) President and CEO			
(Street)	4. If Amendment, Date Original Filed(Month/Day/Year)	6. Individual or Joint/Group Filing(Check Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting			
WALLA WALLA, WA 99362		Person			

(City)	(State)	(Zip)	Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned
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1.Title of Security	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if	3. Transactio	4. Securities Acon(A) or Disposed	•	5. Amount of Securities	6. Ownership Form: Direct	7. Nature of Indirect
(Instr. 3)	(· · · · · · · · · · · · · · · · · · ·	any	Code	(D)		Beneficially	(D) or	Beneficial
		(Month/Day/Year)	(Instr. 8)	(Instr. 3, 4 and 5)		Owned	Indirect (I)	Ownership
						Following	(Instr. 4)	(Instr. 4)
				(A)		Reported		
				(A) or		Transaction(s)		
			Code V	Amount (D)	Price	(Instr. 3 and 4)		
Common Stock	09/27/2006		A	21,602 A	\$0	21,602	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)

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1. Title of	2.	3. Transaction Date		4.	5.	6. Date Exerc		7. Title a		8. Price of	9. Nu
Derivative Security (Instr. 3)	Conversion or Exercise Price of Derivative Security	(Month/Day/Year)	Execution Date, if any (Month/Day/Year)	Transactic Code (Instr. 8)	onNumber of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)			Amount Underlyi Securitie (Instr. 3	ing es	Derivative Security (Instr. 5)	Deriv Secur Bene Own Follo Repo Trans (Instr
				Code V	(A) (D)	Date Exercisable	Expiration Date	or Title N of	umber		

Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

Camp David M C/O KEY TECHNOLOGY, INC. 150 AVERY STREET WALLA WALLA, WA 99362

President and CEO

Signatures

/s/ David M. O9/28/2006 Camp

**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) Represents restricted stock award the restrictions on which lapse based on continued employment and the achievement of certain performance criteria.

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.

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