

PECO II INC
Form 3
March 30, 2006

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0104
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

INITIAL STATEMENT OF 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 *

Â Borders Guy Kevin

(Last) (First) (Middle)

1376 STATE ROUTE 598

(Street)

GALION,Â OHÂ 44833

(City) (State) (Zip)

2. Date of Event Requiring Statement

(Month/Day/Year)

03/28/2006

3. Issuer Name and Ticker or Trading Symbol
PECO II INC [(PIII)]

4. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

___ Director ___ 10% Owner

__X__ Officer ___ Other

(give title below) (specify below)

VP of Marketing & Prod. Devel.

5. 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 Person

Table I - Non-Derivative Securities Beneficially Owned

1. Title of Security
(Instr. 4)

2. Amount of Securities Beneficially Owned
(Instr. 4)

3. Ownership Form:
Direct (D)
or Indirect
(I)
(Instr. 5)

4. Nature of Indirect Beneficial Ownership
(Instr. 5)

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

SEC 1473 (7-02)

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security
(Instr. 4)

2. Date Exercisable and Expiration Date
(Month/Day/Year)

Date Exercisable Expiration Date

3. Title and Amount of Securities Underlying Derivative Security
(Instr. 4)

Title Amount or Number of Shares

4. Conversion or Exercise Price of Derivative Security

5. Ownership Form of Derivative Security:
Direct (D)
or Indirect
(I)
(Instr. 5)

6. Nature of Indirect Beneficial Ownership
(Instr. 5)

Non-Qualified Stock Option (right to buy)	Â (1)	08/31/2010	Common Stock	250,000	\$ 1.2	D	Â
--	-------	------------	-----------------	---------	--------	---	---

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Borders Guy Kevin 1376 STATE ROUTE 598 GALION, OH 44833	Â	Â	Â VP of Marketing & Prod. Devel.	Â

Signatures

Lisa A. Green for Guy Kevin Borders	03/30/2006
--	------------

**Signature of Reporting Person	Date
---------------------------------	------

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 5(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) The reporting person holds the above referenced options to buy 250,000 shares of Common Stock, in reliance upon the exemption provided by Rule 16b-3. All options were granted on 08/31/2005, at an exercise price of \$1.20, and will expire on 08/31/2010. These options will vest as follows: 100,000 options became exercisable on 08/31/2005, 75,000 options will become exercisable on 08/31/2007 and 75,000 options will become exercisable on 08/31/2008.
- 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.