PECO II INC Form 4 January 18, 2005

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

OMB APPROVAL

3235-0287

January 31,

2005

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 may continue. 30(h) of the Investment Company Act of 1940 See Instruction

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * 5. Relationship of Reporting Person(s) to 2. Issuer Name and Ticker or Trading SMITH MATTHEW P Issuer Symbol PECO II INC [(PIII)] (Check all applicable) (Last) (First) (Middle) 3. Date of Earliest Transaction (Month/Day/Year) _X__ 10% Owner _X__ Director X_ Officer (give title _ Other (specify 1376 STATE ROUTE 598 01/14/2005 below) Chairman of the Board (Street) 4. If Amendment, Date Original 6. Individual or Joint/Group Filing(Check Filed(Month/Day/Year) Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting GALION, OH 44833 Person

(City)	(State)	(Zip) Tab	le I - Non-l	Derivative	e Secu	rities Acqu	iired, Disposed o	f, or Beneficia	ally 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)	3. 4. Securities Acquired Fransaction(A) or Disposed of (D) Code (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported	7. Nature of Indirect Beneficial Ownership (Instr. 4)	
			Code V	Amount	or	Price	Transaction(s) (Instr. 3 and 4)	(Instr. 4)	
Common Stock	01/14/2005		S(1)	300	D	\$ 1.1299	1,496,650	D	
Common Stock	01/14/2005		S <u>(1)</u>	2,300	D	\$ 1.13	1,494,350	D	
Common Stock	01/14/2005		S <u>(1)</u>	400	D	\$ 1.14	1,493,950	D	
Common Stock							1,000,000	I	By: Ashwood I LLC
Common Stock							500,000	I	By: Ashwood

			II LLC
Common Stock	38,000	I	By: Daughter
Common Stock	38,000	I	By: Son-2
Common Stock	38,000	I	By: Son-1

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

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.

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 Derivative Security	3. Transaction Date (Month/Day/Year)	4. Transactic Code (Instr. 8)	5. orNumber of Derivative Securities Acquired (A) or Disposed		ate	7. Title Amoun Underly Securit (Instr. 3	nt of ying	8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Owne Follo Repo Trans
				of (D) (Instr. 3,						(Instr
				4, and 5)	Date Exercisable	Expiration Date	Title I	Amount or Number of		
			Code V	(A) (D)			,	Shares		

Reporting Owners

Reporting Owner Name / Address	Keiationsnips							
•	Director	10% Owner	Officer	Other				
SMITH MATTHEW P								
1376 STATE ROUTE 598	X	X	Chairman of the Board					
GALION, OH 44833								

Signatures

Lisa A Green For Matthew P
Smith
01/18/2005

**Signature of Reporting Person Date

Reporting Owners 2

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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) The sales reported in this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on December 3, 2004.

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.