PECO II INC Form 4 January 20, 2005

FORM 4

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

OMB Number:

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January 31, 2005

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response...

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

5. Relationship of Reporting Person(s) to

500,000

I

if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction

Check this box

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

2. Issuer Name and Ticker or Trading

SECURITIES

1(b).

Common

Stock

(Print or Type Responses)

1. Name and Address of Reporting Person *

SMITH MA	TTHEW P	-	Symbol PECO II	I INC [(P	III)]	114411	*b	Issuer	1111:1-1	->
(Last) 1376 STATI	(First) E ROUTE 598	(Middle)	3. Date of (Month/D 01/18/20	-	ansaction			_X_ Director _X_ Officer (gives)	eck all applicableX 10 we titleOtt below) rman of the Boa	% Owner ner (specify
Filed(Month/Day/Year) Applicable Line) _X_ Form filed by Form filed by					Joint/Group Filing(Check One Reporting Person More than One Reporting					
(City)	(State)	(Zip)	Tabl	a I - Non-D	orivotivo	Socur	ities Ac	Person quired, Disposed	of or Ranaficia	lly Owned
1.Title of Security (Instr. 3)	2. Transaction I (Month/Day/Ye	ar) Execution		3. Transactic Code (Instr. 8)	4. Securi or(A) or Di (D) (Instr. 3,	ties A ispose	cquired d of	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
Common Stock	01/18/2005			Code V $S_{\underline{(1)}}$	1,000	D D	\$ 1.13	1,492,950	D	
Common Stock	01/18/2005			S <u>(1)</u>	100	D	\$ 1.14	1,492,850	D	
Common Stock	01/19/2005			S <u>(1)</u>	2,000	D	\$ 1.13	1,490,850	D	
Common Stock								1,000,000	I	By: Ashwood I LLC

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)	of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3,		ate	7. Titl Amou Under Securi (Instr.	nt of lying	8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Owne Follo Repo Trans (Instr
			Code V	4, and 5) (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares		

Reporting Owners

Reporting Owner Name / Address	Relationships						
	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 01/20/2005 Smith

**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.