

Heindel John Gerard  
Form 4  
April 20, 2010

**FORM 4**

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

Check this box  
if no longer  
subject to  
Section 16.  
Form 4 or  
Form 5  
obligations  
may continue.  
*See* Instruction  
1(b).

**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

## OMB APPROVAL

OMB  
Number: 3235-0287  
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2005  
Estimated average  
burden hours per  
response... 0.5

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
Heindel John Gerard

(Last) (First) (Middle)

1376 ST. RT. 598, PO BOX 910

(Street)

GALION, OH 44833

(City) (State) (Zip)

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

3. Date of Earliest Transaction  
(Month/Day/Year)  
04/16/2010

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)  
Chairman, Pres, CEO, CFO, Treas

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, without par value	04/16/2010		D <sup>(1)</sup>		92,764	D	\$ 5.86
					0		

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  
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number.**

SEC 1474  
(9-02)

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**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 Security (Instr. 3 and 4)	Amount or Number of Shares of Underlying Security
Non-qualified Stock Option (right-to-buy)	\$ 10.7	04/16/2010		D	50,000	<u>(2)</u> 07/28/2010	Common Stock	50,000
Non-qualified Stock Option (right-to-buy)	\$ 7.5	04/16/2010		D	20,000	<u>(3)</u> 01/03/2013	Common Stock	20,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Heindel John Gerard 1376 ST. RT. 598 PO BOX 910 GALION, OH 44833	X		Chairman, Pres, CEO, CFO, Treas	

## Signatures

Kimberly J. Lauer for John G. Heindel 04/20/2010

\_\_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) Disposed of pursuant to an Agreement and Plan of Merger among the Issuer and Lineage Power Holdings, Inc. and Lineage Power Ohio Merger Sub, Inc. (the "Merger Agreement") in exchange for \$5.86 in cash for each share of Common Stock.
- (2) This option which provided for vesting of 30% on the date of grant, 40% on the first anniversary of the date of grant and 30% on the second anniversary of the date of grant, was cancelled pursuant to the terms of the Merger Agreement.
- (3) This option which provided for vesting of 40% on the first anniversary of the date of grant and 30% on each the first anniversary of the date of grant and 30% on each of the second and third anniversaries of the date of grant, was cancelled pursuant to the terms of the Merger Agreement.

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.