

QUANEX CORP
Form 4
September 26, 2006

FORM 4

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

OMB APPROVAL

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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 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
WELLEK RICHARD L

(Last) (First) (Middle)

**VARLEN CORP, 55 SHUMAN
BLVD PO BOX 3089**

(Street)

NAPERVILLE, IL 60566

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
QUANEX CORP [nx]

3. Date of Earliest Transaction
(Month/Day/Year)
09/24/2006

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)

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 Beneficial Ownership (Instr. 4)
				(A) or (D) Code V Amount (D) Price			

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

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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	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative Securities	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Underlying Securities
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(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8)	Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	(Instr. 10)
Phantom Stock Units ⁽¹⁾	\$ 0 ⁽²⁾	09/24/2006	A	41.528					⁽³⁾	⁽³⁾	Common Stock	41.528	\$
Phantom Stock Units ⁽⁴⁾	\$ 0 ⁽²⁾	09/24/2006	A	8.306					⁽³⁾	⁽³⁾	Common Stock	8.306	\$

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
WELLEK RICHARD L VARLEN CORP 55 SHUMAN BLVD PO BOX 3089 NAPERVILLE, IL 60566	X			

Signatures

Richard L. Wellek by John J. Mannion,
POA 09/26/2006

__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) Units that are credited to the participant's account under the Quanex Corp. Deferred Compensation Plan as a result of the participant's deferral of income or fees, as the case may be.
- (2) Conversion price is 1 for 1.
All units credited under the Deferred Compensation Plan are 100% vested at all times; provided, however, that if a participant receives a benefit from the Deferred Compensation Plan for any reason other than death, disability or retirement within three years after a deferral is credited to a participant's account, any matching awards made by the company with respect to such deferral will be forfeited.
- (3) Distributions under the Deferred Compensation Plan are made beginning on a specific date selected by the participant or upon a participant's death, disability or termination of employment.
- (4) Represents units credited to a participant's account under the Deferred Compensation Plan as a result of the company's 20% matching award of the participant's deferral of income or fees, as the case may be.

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.