Heindel John Gerard
Form 4
April 20, 2010

FORM 4

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

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

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

(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)
__X__ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
Chairman, Pres, CEO, CFO,Treas

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 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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock, without par value	04/16/2010		D[(1)]		92,764	D	$ 5.86	0	D	

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 (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 Underlying Securiti (Instr. 3 and 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amou or Numb of Sha
Non-qualified Stock Option (right-to-buy)	$ 10.7	04/16/2010		D			50,000	(2)	07/28/2010	Common Stock	50,0
Non-qualified Stock Option (right-to-buy)	$ 7.5	04/16/2010		D			20,000	(3)	01/03/2013	Common Stock	20,0

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 camcelled 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 eachthe 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.
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