Peden Eugene A
Form 4
April 20, 2010

FORM 4

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

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

OMB Number:	3235-0287
Expires:	January 31, 2005
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(Print or Type Responses)

1. Name and Address of Reporting Person [*] Peden Eugene A	2. Issuer Name **and** Ticker or Trading Symbol PECO II INC [(PIII)]	5. Relationship of Reporting Person(s) to Issuer
(Last) (First) (Middle) 1376 ST RT 598	3. Date of Earliest Transaction (Month/Day/Year) 04/16/2010	(Check all applicable) _____ Director _____ 10% Owner __X__ Officer (give title _____ Other (specify below) below) Sr Vice President/ Operations
(Street) GALION, OH 44833	4. If Amendment, Date Original Filed(Month/Day/Year)	6. Individual or Joint/Group Filing(Check Applicable Line) _X_ Form filed by One Reporting Person ___ Form filed by More than One Reporting Person
(City) (State) (Zip)		

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)]		8,165	D	$ 5.86	0	D	

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)	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 Securities (Instr. 3 and 4)	
				Code	V	(A)	(D)		Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Non-qualified stock options (right to buy)	$ 8	04/16/2010		D			20,000	(2)	01/01/2013	Common Stock	20,0...

Reporting Owners

	Relationships			
Reporting Owner Name / Address	Director	10% Owner	Officer	Other
Peden Eugene A 1376 ST RT 598 GALION, OH 44833			Sr Vice President/ Operations	

Signatures

Kimberly J. Lauer for Eugene A. Peden	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 amerger 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 options which provided for vesting of 40% on 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.