KEY TECHNOLOGY INC Form SC 13G/A September 04, 2002

SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

SCHEDULE 13G (Rule 13d-102)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT TO RULES 13d(b)(c), AND (d) AND AMENDMENTS THERETO FILED PURSUANT TO RULE 13d-2(b)

(Amendment No. 2)

| Key Technology, Inc. | | | | |
|---|--|--|--|--|
| (Name of Issuer) | | | | |
| Series B Convertible Preferred Stock | | | | |
| (Title of Class of Securities) | | | | |
| 493143200 | | | | |
| (CUSIP Number) August 13, 2002 | | | | |
| | | | | |
| Check the appropriate box to designate the rule pursuant to which this Schedule is filed: | | | | |
| <pre>[] Rule 13d-1(b) [X] Rule 13d-1(c) [] Rule 13d-1(d)</pre> | | | | |

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

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The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

| - | | | | | |
|------------------------------|---|----------------------------|-----------------|---|--|
| | NAMES OF REPORTING PERSON S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON | | | | |
| Ll | oyd I. | . Miller, III | | | |
| (a | CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) [] (b) [] | | | | |
| 3. SE | SEC USE ONLY | | | | |
| 4. CI | CITIZENSHIP OR PLACE OF ORGANIZATION | | | | |
| Un | United States | | | | |
| | | | | | |
| BENEFICI OWNED BY | ALLY | 6. SHARED VOT | ING POWER | | |
| EACH REPORTIN PERSON W | iG i | 7. SOLE DISPOS | SITIVE POWER | | |
| | 8. SHARED DISPOSITIVE POWER *** | | | | |
| 9. AG | | FE AMOUNT BENEF | CIALLY OWNED BY | Y EACH REPORTING PERSON | |
| SH | CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES* [] | | | | |
| | PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9) *** | | | | |
| 12. TY | TYPE OF REPORTING PERSON IN-IA-OO | | | | |
| | | UCTIONS BEFORE F HEREIN | FILLING OUT! | | |
| | | | | Page 3 o | |
| tem 1. | | | | | |
| (a |) Name | e of Issuer: | | Key Technology, Inc. | |
| (b | | ress of Issuer's | s Principal | 150 Avery Street Walla Walla, Washington, 99 | |
| tem 2. | | | | | |
| (a |) Name | e of Person Fili | ing: | Lloyd I. Miller, III | |
| (b |) Addı | ress of Principa | al Business | | |

Office or, if None, Residence: 4450 Gordon Drive, Naples,

Florida 34102

(c) Citizenship: U.S.A.

(d) Title of Class of Securities: Series B Convertible

Preferred Stock

(e) CUSIP Number: 493143200

Item 3. IF THIS STATEMENT IS FILED PURSUANT TO RULE 13d-1(b) OR 13d-2(b) or (c), CHECK WHETHER THE PERSON FILING IS A:

Not Applicable, this statement is filed pursuant to 13d-1(c)

Item 4. OWNERSHIP: See Item 5 below.

Item 5. OWNERSHIP OF FIVE PERCENT OR LESS OF A CLASS:

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following: [X]

Item 6. OWNERSHIP OF MORE THAN FIVE PERCENT ON BEHALF OF ANOTHER PERSON:

Not Applicable

Item 7. IDENTIFICATION AND CLASSIFICATION OF THE SUBSIDIARY WHICH ACQUIRED THE SECURITY BEING REPORTED ON BY THE PARENT HOLDING COMPANY:

Not Applicable

Item 8. IDENTIFICATION AND CLASSIFICATION OF MEMBERS OF THE GROUP:

Not Applicable

Item 9. NOTICE OF DISSOLUTION OF GROUP:

Not Applicable

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Item 10. CERTIFICATION:

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I

certify that the information set forth in this statement is true, complete and correct.

Dated: September 4, 2002 /s/ Lloyd I. Miller, III

Lloyd I. Miller, III