

VEECO INSTRUMENTS INC

Form 4

August 03, 2006

FORM 4**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

OMB
Number: 3235-0287
Expires: January 31,
2005
Estimated average
burden hours per
response... 0.5

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

(Print or Type Responses)

1. Name and Address of Reporting Person *

KANIA DON R

2. Issuer Name and Ticker or Trading

Symbol

VEECO INSTRUMENTS INC

[VECO]

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction

(Month/Day/Year)

08/03/2006

____ Director

____ 10% Owner

____X____ Officer (give title below)

____ Other (specify below)

President and COO

VEECO INSTRUMENTS INC., 100
SUNNYSIDE BOULEVARD,
SUITE B

(Street)

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

WOODBURY, NY 11797

(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, par value \$.01 per share	08/01/2006		M		19,432	A	\$ 21.36
Common Stock, par value \$.01 per share	08/01/2006		S		19,432	D	\$ 22 (1)
Common Stock, par	08/02/2006		M		54,839	A	\$ 21.36

value \$.01
per share

Common
Stock, par
value \$.01
per share

08/02/2006

S

54,839 D

\$

22.02

20,438

D

(2)

Common
Stock, par
value \$.01
per share

08/02/2006

M

161 A

\$

15.48

20,599

D

Common
Stock, par
value \$.01
per share

08/02/2006

S

161 D

\$

22.11

20,438

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 of Underlying Securities (Instr. 3 and 4)	Amount or Number of Shares
				Code V (A) (D)		Date Exercisable Expiration Date	Title	
Employee Stock Option (Right to Purchase)	\$ 21.36	08/01/2006		M	19,432	(3) 07/27/2011	Common Stock	19,432
Employee Stock Option (Right to Purchase)	\$ 21.36	08/02/2006		M	54,839	(3) 07/27/2011	Common Stock	54,839
Employee Stock Option	\$ 15.48	08/02/2006		M	161	(4) 03/31/2010	Common Stock	161

(Right to
Purchase)

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
KANIA DON R VEECO INSTRUMENTS INC., 100 SUNNYSIDE BOULEVARD, SUITE B WOODBURY, NY 11797			President and COO	

Signatures

Gregory A. Robbins,
Attorney-in-fact

08/03/2006

__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) Represents the average sale price for sales of this security on the date shown. Actual sale prices ranged from \$22.00 to \$22.04 per share.
- (2) Represents the average sale price for sales of this security on the date shown. Actual sale prices ranged from \$22.00 to \$22.11
- (3) The original grant provided that the option would become exercisable in 33 1/3 increments on the first, second and third anniversaries of the grant date (July 28, 2004). On April 12, 2005, the Compensation Committee of Veeco's Board of Directors approved the acceleration of vesting of all unvested stock options granted prior to September 1, 2004 which were then out-of-the money (exercise price greater than \$15.26).
- (4) The original grant provided that the option would become exercisable in 33 1/3 increments on the first, second and third anniversaries of the grant date (April 1, 2003). On April 12, 2005, the Compensation Committee of Veeco's Board of Directors approved the acceleration of vesting of all unvested stock options granted prior to September 1, 2004 which were then out-of-the money (exercise price greater than \$15.26).

Remarks:

Dr. Kania has resigned from his position as President and Chief Operating Officer of Veeco Instruments Inc. effective August

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.