

VEECO INSTRUMENTS INC
 Form 4
 August 07, 2006

FORM 4

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

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).

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)

___ Director ___ 10% Owner
 Officer (give title below) ___ Other (specify below)
President and COO

**VEECO INSTRUMENTS INC.,, 100
 SUNNYSIDE BOULEVARD,
 SUITE B**

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 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)	(A) or (D)	5. Amount or Price	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)
Common Stock, par value \$.01 per share	08/03/2006		M	19,839	A	\$ 15.48	40,277	D	
Common Stock, par value \$.01 per share	08/03/2006		S	19,839	D	\$ 22	20,438	D	
Common Stock, par	08/03/2006		M	40,100	A	\$ 15.27	60,538	D	

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value \$.01
per share

Common Stock, par value \$.01 per share	08/03/2006	S	40,100	D	\$ 22.24 <u>(1)</u>	20,438	D
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Common Stock, par value \$.01 per share	08/04/2006	M	9,900	A	\$ 15.27	30,338	D
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Common Stock, par value \$.01 per share	08/04/2006	S	9,900	D	\$ 22.66 <u>(2)</u>	20,438	D
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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 of Underlying Securities (Instr. 3 and 4)	Amount or Number of Shares	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option (Right to Purchase)	\$ 15.48	08/03/2006		M	19,839	<u>(3)</u> 03/31/2010	Common Stock	19,839	
Employee Stock Option (Right to Purchase)	\$ 15.27	08/03/2006		M	40,100	<u>(4)</u> 03/02/2010	Common Stock	40,100	
Employee Stock Option	\$ 15.27	08/04/2006		M	9,900	<u>(4)</u> 03/02/2010	Common Stock	9,900	

(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

08/07/2006

__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 \$22.49 per share.
 - (2) Represents the average sale price for sales of this security on the date shown. Actual sale prices ranged from \$22.50 to \$22.85 per share.
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).
 - (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 (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).
 - (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 (March 3,2003). 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.

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