

Marvin Russel H
Form 4
January 03, 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 *
Marvin Russel H

2. Issuer Name and Ticker or Trading Symbol
MECHANICAL TECHNOLOGY INC [MKTY]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
431 NEW KARNER ROAD
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
12/30/2005

____ Director _____ 10% Owner
____ Officer (give title below) Other (specify below)
VP of Engineering, MTI MFCI

ALBANY, NY 12205

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

(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 Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership Indirect Beneficial Ownership (Instr. 4)
				(A) or (D)	Code V Amount (D) Price		

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	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative Securities	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)
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(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8)	Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock Options (Right to Buy)	\$ 2.8	12/30/2005	A ⁽¹⁾	47,292					12/30/2005 ⁽²⁾	04/03/2015	Common Stock	47,292
Stock Options (Right to Buy)	\$ 2.8	12/30/2005	A ⁽¹⁾	30,958					12/30/2005 ⁽³⁾	04/03/2015	Common Stock	30,958

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

Marvin Russel H
431 NEW KARNER ROAD
ALBANY, NY 12205

VP of Engineering, MTI MFCI

Signatures

By: Cynthia A. Scheuer as Attorney in Fact for

01/03/2006

**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 options issued in exchange for MTI Micro options tendered and canceled pursuant to the MTI and MTI Micro November 28, 2005 Exchange Offer. The exchange rate is one (1) MTI option for each two (2) shares of MTI Micro common stock issuable upon exercise of surrendered MTI Micro options, rounded down to the nearest whole share, or if an individual had an MTI Micro option balance in excess of 150,000, then at a rate of one (1) MTI option for each four (4) shares of MTI Micro common stock issuable upon exercise of surrendered MTI Micro options in excess of 150,000. All options were issued with the same vesting schedule and expiration term as the originally issued MTI Micro options.

(2) 5,912 are immediately vested and the remainder vests 7.14% per quarter beginning on 01/04/06.

(3) 3,870 are immediately vested and the remainder vests 7.14% per quarter beginning on 01/04/06.

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.