KEYCORP/NEW/ Form 4 July 25, 2006

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB Number:

3235-0287

Expires:

January 31, 2005

0.5

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response...

subject to Section 16. Form 4 or Form 5 obligations may continue.

Check this box

if no longer

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

1(b).

(Last)

Security

(Instr. 3)

(Print or Type Responses)

See Instruction

1. Name and Address of Reporting Person *

(First)

(Street)

MCGREGOR DOUGLAS J

2. Issuer Name and Ticker or Trading

Symbol

KEYCORP /NEW/ [KEY]

3. Date of Earliest Transaction

(Month/Day/Year)

KEYCORP, 127 PUBLIC SQUARE 07/24/2006

(Middle)

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

below)

Issuer

6. Individual or Joint/Group Filing(Check

(D) or

Indirect (I)

(Instr. 4)

(Check all applicable)

10% Owner

6. Ownership 7. Nature of

Beneficial

Ownership

(Instr. 4)

Form: Direct Indirect

Other (specify

5. Relationship of Reporting Person(s) to

Applicable Line)

X_ Director

Officer (give title

X Form filed by One Reporting Person Form filed by More than One Reporting

Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

CLEVELAND, OH 44114

(City) (State) (Zip) 1.Title of 2. Transaction Date 2A. Deemed

(Month/Day/Year) Execution Date, if

(Month/Day/Year)

4. Securities Acquired Transaction(A) or Disposed of (D) Code (Instr. 3, 4 and 5) (Instr. 8)

(A)

Owned Following Reported Transaction(s)

5. Amount of

Securities

Beneficially

(Instr. 3 and 4) Price

Common 07/24/2006 Shares

Code V Amount (D) M 1,511 36.68

14,202

D

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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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. Transactic Code (Instr. 8)	Secur Acqu (A) o Dispo (D)	rities ired or osed of 3, 4,	6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)	
				Code V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Phantom Shares (1)	\$ 36.68	07/24/2006		M		3,022	07/24/2006	07/24/2006	Common Shares	3,022

Reporting Owners

Reporting Owner Name / Address	Relationships						
	Director	10% Owner	Officer	Other			
MCGREGOR DOUGLAS J KEYCORP 127 PUBLIC SQUARE CLEVELAND, OH 44114	X						

Signatures

Steven N. Bulloch POA for Douglas J.

McGregor

**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) Phantom Shares were distributed under Deferred Share Plan and were paid one half in cash and one half in Common Shares.

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. of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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