

KEITHLEY INSTRUMENTS INC
 Form 4
 October 28, 2010

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 *
 KEITHLEY JOSEPH P

2. Issuer Name and Ticker or Trading Symbol
 KEITHLEY INSTRUMENTS INC
 [KEI]

5. Relationship of Reporting Person(s) to Issuer
 (Check all applicable)

(Last) (First) (Middle)

KEITHLEY INSTRUMENTS, INC., 28775 AURORA ROAD

3. Date of Earliest Transaction (Month/Day/Year)
 02/12/2007

Director 10% Owner
 Officer (give title below) Other (specify below)
 Director, Chairman, CEO

(Street)

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

SOLON, OH 44139

(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 Ownership (Instr. 4)
				(A) or (D)	Price		
				Code	V	Amount	
Class B Common Shares						1,954,816	I Partnership ⁽¹⁾
Class B Common Shares						46,062	I Trust ⁽²⁾
Class B Common Shares	10/26/2010		G	V	130,000	D	\$ 0 0 D
Class B Common Shares	02/12/2007 ⁽³⁾		G		10,000	D	\$ 0 129,240 ⁽³⁾ D

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Shares									
Common Shares	10/26/2010	G	V	55,667	D	\$ 0	73,573	D	
Common Shares	10/27/2010	M		24,125 (4)	A	(4)	97,698	D	
Common Shares	10/27/2010	F		7,708 (5)	D	\$ 21.53	89,990	D	
Restricted Common Shares (6)							1,308	D	
Common Shares							2,448	I	Wife

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

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(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 Security (Instr. 3 and 4)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount
Common Share Option	\$ 18.41					07/25/2003(7)	07/24/2011	Common Shares	10
Common Share Option	\$ 13.76					07/24/2004(7)	07/23/2012	Common Shares	10
Common Share Option	\$ 16.12					08/10/2005	07/18/2013	Common Shares	10
Common Share Option	\$ 18.75					02/15/2005	07/16/2014	Common Shares	7
Common Share Option	\$ 15.05					10/04/2007(7)	10/03/2015	Common Shares	5
Common Share Option	\$ 9.12					11/09/2009(7)	11/09/2017	Common Shares	3
	(4)	10/27/2010		M		09/30/2010(4)	(4)		

Performance Award Unit	19,300 <u>(4)</u>	Common Shares
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Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
KEITHLEY JOSEPH P KEITHLEY INSTRUMENTS, INC. 28775 AURORA ROAD SOLON, OH 44139	X	X	Director, Chairman, CEO	

Signatures

Mark J. Plush,
Attorney-in Fact

10/28/2010

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) Keithley Investment Co. Limited Partnership
- (2) Joseph F. Keithley 1988 Family Trust - reporting person is Trustee
- (3) Due to administrative error, a gift was not previously reported and Mr. Keithley's ownership omitted 88 shares

Each Performance Award Unit represented the right to receive one common share. The number of units initially awarded was a target (as shown in Table II), and the actual number of units that vested and converted to shares (which could range from 0 shares to twice the target number of shares) was based upon: a) the Company's revenue growth as compared to a defined Peer Group and, b) the Company maintaining an acceptable level of profitability during the performance period which ended on September 30, 2010. Based on the Company's performance, the units converted into a number of shares equal to 1.25 times the target number.

- (5) Shares issuable upon vesting of Performance Award Units were withheld to settle associated tax liabilities.
- (6) Restricted shares will become fully vested on December 1, 2010
- (7) Date reported applies to 50% of total, one-half of the balance is then exercisable in each succeeding year.

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.