KEITHLEY INSTRUMENTS INC

Form 4

November 13, 2007

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB

3235-0287 Number:

OMB APPROVAL

January 31, Expires: 2005

0.5

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response...

Check this box if no longer subject to Section 16.

Form 4 or

Form 5 obligations may continue. See Instruction

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).

(Print or Type Responses)

1. Name and Address of Reporting Person * PENDERGRASS LARRY L

2. Issuer Name and Ticker or Trading Symbol

5. Relationship of Reporting Person(s) to

Issuer

KEITHLEY INSTRUMENTS INC

(Check all applicable)

[KEI]

(Last) (First) (Middle) 3. Date of Earliest Transaction

Director 10% Owner X_ Officer (give title Other (specify

(Month/Day/Year) 11/09/2007

below) VP New Product Development

KEITHLEY INSTRUMENTS. INC., 28775 AURORA ROAD

> (Street) 4. If Amendment, Date Original

6. Individual or Joint/Group Filing(Check

Filed(Month/Day/Year) Applicable Line)

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

(Zip)

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

1. Title of Security (Instr. 3)

(City)

SOLON, OH 44139

2. Transaction Date 2A. Deemed (Month/Day/Year) Execution Date, if

(State)

(Month/Day/Year)

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

5. Amount of Securities Beneficially Owned Following Reported

6. Ownership 7. Nature of Form: Direct Indirect (D) or Indirect Beneficial (I) Ownership (Instr. 4) (Instr. 4)

(A) Transaction(s) or (Instr. 3 and 4) 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 SEC 1474 information contained in this form are not (9-02)required to respond unless the form displays a currently valid OMB control number.

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

1. Title of Derivative

Conversion

3. Transaction Date 3A. Deemed (Month/Day/Year) Execution Date, if Transaction of Derivative Expiration Date

5. Number

6. Date Exercisable and

7. Title and Amou Underlying Securi

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Security (Instr. 3)	or Exercise Price of Derivative Security		any (Month/Day/Year)	Code (Instr. 8	Securities Acquires (A) or Disposes (D) (Instr. 3, and 5)	d d of	(Month/Day/Year)		(Instr. 3 and 4)	
				Code V	7 (A)	(D)	Date Exercisable	Expiration Date	Title	An or Nu of S
Common Share Option	\$ 12.43						05/20/2005(1)	05/19/2013	Common Shares	20
Common Share Option	\$ 18.75						02/15/2005(2)	07/16/2014	Common Shares	25
Common Share Option	\$ 15.05						10/04/2007(1)	10/03/2015	Common Shares	8,
Performance Award Unit	\$ 0						09/30/2008(3)	<u>(3)</u>	Common Shares	6,
Common Share Option	\$ 14						01/30/2009(1)	01/30/2017	Common Shares	9,
Performance Award Unit	\$ 0						09/30/2009(3)	<u>(3)</u>	Common Shares	7,
Common Share Option	\$ 9.12	11/09/2007		A	8,300		11/09/2009(1)	11/09/2017	Common Shares	8,
Performance Award Unit	\$ 0	11/09/2007		A	6,300 (3)		09/30/2010(3)	<u>(3)</u>	Common Shares	6.

Reporting Owners

Reporting Owner Name / Address						
	Director	10% Owner	Officer	Other		

PENDERGRASS LARRY L KEITHLEY INSTRUMENTS, INC. 28775 AURORA ROAD SOLON, OH 44139

VP New Product Development

Relationships

Signatures

Mark J. Plush, Attorney-in Fact

**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) Date reported applies to 50% of total, one-half of the balance is then exercisable in each succeeding year.

Reporting Owners 2

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- (2) Option became fully vested on February 15, 2005
 - Each Performance Award Unit represents the right to receive one common share. The number of units initially awarded, the target, is shown above. The actual number of units that will be awarded and converted to shares is based upon: a) the Company's revenue growth as
- (3) compared to a defined Peer Group and, b) the Company maintaining an acceptable level of profitability during the performance period which ends on the date exercisable (the "vesting date"). Awarded units are automatically converted to shares under the Plan on or before the December 31st following the Vesting Date.

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.