KEITHLEY INSTRUMENTS INC

Form 4

November 10, 2008

FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

OMB APPROVAL

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if no longer subject to Section 16. Form 4 or Form 5 obligations

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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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

may continue. See Instruction

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person ** HOERSTEN MARK A			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		NTS,	3. Date of Earliest Transaction (Month/Day/Year) 11/06/2008	Director 10% OwnerX_ Officer (give title Other (specify below) VP Business Management		
SOLON, OH	(Street) 44139		4. If Amendment, Date Original Filed(Month/Day/Year)	6. Individual or Joint/Group Filing(Check Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting Person		
(6)	(6	(71.)				

(City)	(State)	(Zip)	

(,)	(= ::::)	Table	e I - Non-L	erivative	Secur	ities Acqu	irea, Disposea of,	, or Beneficiali	y Owned
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. 4. Securities Acquired Transaction(A) or Disposed of (D) Code (Instr. 3, 4 and 5) (Instr. 8)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)	
			Code V	Amount	or (D)	Price	(Instr. 3 and 4)		
Common Shares	12/31/2007		J <u>(1)</u>	11	A	\$ 9.72	2,851	D	
Common Shares	03/31/2008		J <u>(1)</u>	12	A	\$ 9.86	2,863	D	
Common Shares	06/30/2008		J <u>(1)</u>	12	A	\$ 9.67	2,875	D	
Common Shares	09/30/2008		J <u>(1)</u>	10	A	\$ 8.3978	2,885	D	
Common Shares	11/06/2008		M	3,375	A	<u>(2)</u>	6,260	D	

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Common Shares F 1,129 D \$ 3.62 5,131 D

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. Transacti Code (Instr. 8)	5. Number on 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 Amou Underlying Securi (Instr. 3 and 4)	
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title	Amo or Nun of Si
Common Share Option	\$ 4.125					07/17/2001	07/16/2009	Common Shares	1,0
Common Share Option	\$ 45.125					08/02/2002	08/01/2010	Common Shares	12,
Common Share Option	\$ 18.41					07/25/2003(3)	07/24/2011	Common Shares	25,
Common Share Option	\$ 13.76					07/24/2004(3)	07/23/2012	Common Shares	30,
Common Share Option	\$ 16.12					08/10/2005 <u>(4)</u>	07/18/2013	Common Shares	30,
Common Share Option	\$ 18.75					02/15/2005(5)	07/16/2014	Common Shares	25,
Common Share Option	\$ 15.05					10/04/2007(3)	10/03/2015	Common Shares	8,8
Performance Award Unit	<u>(2)</u>	11/06/2008		M	3,375 (2)	09/30/2008(6)	<u>(6)</u>	Common Shares	3,3
Common Share Option	\$ 14					01/30/2009(3)	01/30/2017	Common Shares	8,8
Performance Award Unit	\$ 0					09/30/2009 <u>(6)</u>	<u>(6)</u>	Common Shares	6,7
Common Share Option	\$ 9.12					11/09/2009(3)	11/09/2017	Common Shares	7,5

Performance Award Unit \$ 0

09/30/2010(6)

(6)

Common Shares

Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

HOERSTEN MARK A KEITHLEY INSTRUMENTS, INC. 28775 AURORA ROAD SOLON, OH 44139

VP Business Management

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) Acquired through Employee Stock Purchase and Dividend Reinvestment Plan.
 - Each Performance Award Unit represents a right to receive one common share. The number of Performance Award Units initially granted was a target amount, and the number of Performance Award Units that vested and converted to common 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, 2008. Performance Award Units that did not vest were forfeited.
- (3) Date reported applies to 50% of total, one-half of the balance is then exercisable in each succeeding year.
- (4) Option became fully vested on August 10, 2005
- (5) 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
- (6) 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.

Reporting Owners 3