

KEITHLEY INSTRUMENTS INC
 Form 5
 November 12, 2009

FORM 5

**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).
 Form 3 Holdings Reported Form 4 Transactions Reported

ANNUAL 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

1. Name and Address of Reporting Person *
 HOERSTEN MARK A

(Last) (First) (Middle)

KEITHLEY INSTRUMENTS,
 INC., 28775 AURORA ROAD

(Street)

SOLON, OH 44139

(City) (State) (Zip)

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

3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)
 09/30/2009

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

5. Relationship of Reporting Person(s) to Issuer
 (Check all applicable)
 Director 10% Owner
 Officer (give title below) Other (specify below)
 VP Business Management

6. Individual or Joint/Group Reporting
 (check applicable line)

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

| 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 at end of Issuer's Fiscal Year (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|--|--|---|
| Common Shares | 06/30/2009 | ^ | J(1) | 14 A | \$ 3.7431 | 6,206 D | ^ |
| Common Shares | 09/30/2009 | ^ | J(1) | 9 A | \$ 5.75 | 6,215 D | ^ |

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

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SEC 2270 (9-02)

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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) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| | | | | | (A) (D) | Date Exercisable Expiration Date | Title Amount or Number of Shares |
| Common Share Option | \$ 45.125 | Â | Â | Â | Â Â | 08/02/2002 08/01/2010 | Common Shares 12,000 |
| Common Share Option | \$ 18.41 | Â | Â | Â | Â Â | 07/25/2003 ⁽²⁾ 07/24/2011 | Common Shares 25,000 |
| Common Share Option | \$ 13.76 | Â | Â | Â | Â Â | 07/24/2004 ⁽²⁾ 07/23/2012 | Common Shares 30,000 |
| Common Share Option | \$ 16.12 | Â | Â | Â | Â Â | 08/10/2005 ⁽³⁾ 07/18/2013 | Common Shares 30,000 |
| Common Share Option | \$ 18.75 | Â | Â | Â | Â Â | 02/15/2005 ⁽⁴⁾ 07/16/2014 | Common Shares 25,000 |
| Common Share Option | \$ 15.05 | Â | Â | Â | Â Â | 10/04/2007 ⁽²⁾ 10/03/2015 | Common Shares 8,800 |
| Common Share Option | \$ 14 | Â | Â | Â | Â Â | 01/30/2009 ⁽²⁾ 01/30/2017 | Common Shares 8,800 |
| Common Share Option | \$ 9.12 | Â | Â | Â | Â Â | 11/09/2009 ⁽²⁾ 11/09/2017 | Common Shares 7,500 |
| Performance Award Unit | \$ 0 | Â | Â | Â | Â Â | 09/30/2010 ⁽⁵⁾ Â ⁽⁵⁾ | Common Shares 5,700 |
| Common Stock Option | \$ 2.99 | Â | Â | Â | Â Â | 02/06/2011 ⁽²⁾ 02/06/2019 | Common Shares 16,000 |
| Restricted Unit Award | \$ 0 | Â | Â | Â | Â Â | Â ⁽⁶⁾ Â ⁽⁶⁾ | Common Shares 5,500 |

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other
 Â Â Â VP Business Management Â

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

Signatures

Mark J. Plush,
Attorney-in Fact

11/12/2009

__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.
- (2) Date reported applies to 50% of total, one-half of the balance is then exercisable in each succeeding year
- (3) Option became fully vested on August 10, 2005
- (4) 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 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.

- (6) Restricted unit awards will become fully vested on February 6, 2013. Common shares represented by such vested restricted unit awards will be delivered promptly after such vesting date.

Note: File three copies of this Form, one of which must be manually signed. If space provided 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.