

PESEC JOHN A
Form 4
February 27, 2007

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 *
PESEC JOHN 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)

3. Date of Earliest Transaction
(Month/Day/Year)
02/26/2007

____ Director
 Officer (give title below) _____ Other (specify below)
VP Worldwide Sales & Support

KEITHLEY INSTRUMENTS, INC., 28775 AURORA ROAD

(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 Beneficial Ownership (Instr. 4)	
				(A) or (D)	Price			
				Code	V	Amount		
Common Shares	02/26/2007		M		3,000	A	\$ 5.7188 10,090	D
Common Shares	02/26/2007		S		100	D	\$ 15.41 9,900	D
Common Shares	02/26/2007		S		2,300	D	\$ 15.42 7,690	D
Common Shares	02/26/2007		S		300	D	\$ 15.43 7,390	D
Common Shares	02/26/2007		S		200	D	\$ 15.44 7,190	D

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Common Shares	02/26/2007	S	100	D	\$ 15.45	7,090	D	
Common Shares						10	I	Jointly held with Wife
Common Shares						9	I	Wife

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. 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)	Amount or Number of Shares	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Common Share Option	\$ 5.7188	02/26/2007		M	3,000	09/20/1999 09/19/2007	Common Shares	3,000	
Common Share Option	\$ 2.5313					09/12/2000 09/11/2008	Common Shares	5,000	
Common Share Option	\$ 4.125					07/17/2001 07/16/2009	Common Shares	12,000	
Common Share Option	\$ 45.125					08/02/2002 ⁽¹⁾ 08/01/2010	Common Shares	11,000	
Common Share Option	\$ 18.41					07/25/2003 ⁽¹⁾ 07/24/2011	Common Shares	25,000	
Common Share Option	\$ 13.76					07/24/2004 ⁽¹⁾ 07/23/2012	Common Shares	27,000	
Common Share Option	\$ 16.12					08/10/2005 ⁽²⁾ 07/18/2013	Common Shares	30,000	
Common Share Option	\$ 18.75					02/15/2005 ⁽³⁾ 07/16/2014	Common Shares	26,000	
Common Share Option	\$ 15.05					10/04/2007 ⁽¹⁾ 10/03/2015		10,000	

Common Share Option				Common Shares	
Performance Award Unit	\$ 0		09/30/2008	02/01/2012	Common Shares 7,7 (
Common Share Option	\$ 14		01/30/2009 ⁽¹⁾	01/30/2017	Common Shares 10,
Performance Award Unit	\$ 0		09/30/2009	02/01/2012	Common Shares 7,7 (

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
PESEC JOHN A KEITHLEY INSTRUMENTS, INC. 28775 AURORA ROAD SOLON, OH 44139			VP Worldwide Sales & Support	

Signatures

Mark J. Plush,
Attorney-in Fact

02/27/2007

__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.
- (2) Option became fully vested on August 10, 2005
- (3) Option became fully vested on February 15, 2005

- (4) Each Performance Award Unit represents the right to receive one common share at the end of the applicable performance period. The number of units actually earned is subject to adjustment based upon the Company's revenue growth versus that of a defined Peer Group, as well as the Company maintaining an acceptable level of profitability. Minimum number of units is 0 while the maximum number of units is two times the target number shown.

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.