

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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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 *
 PLUSH MARK J

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
 (Street)

3. Date of Earliest Transaction
 (Month/Day/Year)
 11/06/2008

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
 VP, CFO

SOLON, OH 44139

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

(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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | Code | V Amount (A) or (D) Price | | | |
| Common Shares | 12/31/2007 | | J ⁽¹⁾ | 5 A \$ 9.72 | 35,972 ⁽²⁾ | D | |
| Common Shares | 03/31/2008 | | J ⁽¹⁾ | 5 A \$ 9.8601 | 35,977 | D | |
| Common Shares | 06/30/2008 | | J ⁽¹⁾ | 487 A \$ 9.025 | 36,464 | D | |
| Common Shares | 06/30/2008 | | J ⁽¹⁾ | 5 A \$ 9.67 | 36,469 | D | |
| Common Shares | 09/30/2008 | | J ⁽¹⁾ | 8 A \$ 8.3978 | 36,477 | D | |

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| | | | | | | | | |
|----------------------------------|------------|------------------|-------|---|-----------|--------|---|----------------------|
| Common Shares | 11/06/2008 | M | 4,000 | A | ③ | 40,477 | D | |
| Restricted Shares ⁽⁴⁾ | | | | | | 3,336 | D | |
| Common Shares | 12/31/2007 | J ⁽¹⁾ | 5 | A | \$ 9.6906 | 1,285 | I | Trust ⁽⁵⁾ |
| Common Shares | 03/31/2008 | J ⁽¹⁾ | 5 | A | \$ 9.8601 | 1,290 | I | Trust ⁽⁵⁾ |
| Common Shares | 06/30/2008 | J ⁽¹⁾ | 5 | A | \$ 9.67 | 1,295 | I | Trust ⁽⁵⁾ |
| Common Shares | 09/30/2008 | J ⁽¹⁾ | 5 | A | \$ 8.3978 | 1,300 | I | Trust ⁽⁵⁾ |

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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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 or Number of Shares |
| Common Share Option | \$ 45.125 | | | | | 08/02/2002 ⁽⁶⁾ | 08/01/2010 | Common Shares | 42 |
| Common Share Option | \$ 18.41 | | | | | 07/25/2003 ⁽⁸⁾ | 07/24/2011 | Common Shares | 38 |
| Common Share Option | \$ 13.76 | | | | | 07/24/2004 ⁽⁶⁾ | 07/23/2012 | Common Shares | 25 |
| Common Share Option | \$ 16.12 | | | | | 08/10/2005 ⁽¹⁰⁾ | 07/18/2013 | Common Shares | 33 |
| Common Share Option | \$ 18.75 | | | | | 02/15/2005 ⁽⁸⁾ | 07/16/2014 | Common Shares | 28 |
| Common Share Option | \$ 15.05 | | | | | 10/04/2007 ⁽⁶⁾ | 10/03/2015 | Common Shares | 10 |

| | | | | | | | | |
|------------------------|---------|------------|---|--------------|----------------------------|------------|---------------|----|
| Performance Award Unit | (3) | 11/06/2008 | M | 4,000 (3) | 09/30/2008 ⁽¹¹⁾ | (11) | Common Shares | 4 |
| Common Share Option | \$ 9.12 | | | | 11/09/2009 ⁽⁶⁾ | 11/09/2017 | Common Shares | 12 |
| Performance Award Unit | \$ 0 | | | | 09/30/2010 ⁽¹¹⁾ | (11) | Common Shares | 9 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| PLUSH MARK J KEITHLEY INSTRUMENTS, INC. 28775 AURORA ROAD SOLON, OH 44139 | | | VP, CFO | |

Signatures

Mark J. Plush 11/10/2008

**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) Includes 1,192 shares for which restrictions lapsed on June 1, 2008, which were previously reported as restricted shares

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:

(3) 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.

(4) Restricted Shares will become fully vested on June 1, 2011

(5) Christopher M. Plush Trust, Virginia A. Plush Trustee

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

(7) Pursuant to a domestic relations order, the reporting person is deemed to hold 20,231 options for his former spouse and may exercise the option solely upon the direct of his former spouse who is entitled to the shares issued upon exercise. The reporting person disclaims beneficial ownership with respect to the options held for the benefit of his former spouse.

(8) Option became fully vested on February 15, 2005

(9) Pursuant to a domestic relations order, the reporting person is deemed to hold 16,251 options for his former spouse and may exercise the option solely upon the direct of his former spouse who is entitled to the shares issued upon exercise. The reporting person disclaims beneficial ownership with respect to the options held for the benefit of his former spouse.

(10) Option became fully vested on August 10, 2005

(11) 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.

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