

PETELLE JAMES F  
Form 4  
October 28, 2011

**FORM 4**

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

OMB APPROVAL

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**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 \*  
PETELLE JAMES F

2. Issuer Name and Ticker or Trading Symbol  
INSTEEL INDUSTRIES INC [IIN]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
1373 BOGGS DRIVE  
  
(Street)

3. Date of Earliest Transaction (Month/Day/Year)  
10/27/2011

\_\_\_\_ Director  
 Officer (give title below)  
\_\_\_\_ 10% Owner  
\_\_\_\_ Other (specify below)  
Vice President

MOUNT AIRY, NC 27030

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 (D) Price  |   |  |   |
| Common Stock                          | 10/27/2011                           |  | S                              | 1,100 D \$ 10.98  | 3,707   | D  |   |
| Common Stock (Restricted Stock Units) |                                      |  |                                |   | 16,721  | D  |   |

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.**

SEC 1474 (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 Securities (Instr. 3 and 4) | 8. Price or Per Share Amount of Underlying Securities (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|
| Incentive Stock Option (Right to Buy)                | \$ 10.72   |                                      |  |                                |   | (1) 08/08/2021   | Common Stock  | 5,670  |
| Incentive Stock Option (Right to Buy)                | \$ 7.55  |                                      |  |                                |   | (1) 02/10/2019   | Common Stock  | 1,100  |
| Incentive Stock Option (Right to Buy)                | \$ 12.43   |                                      |  |                                |   | (1) 02/08/2021   | Common Stock  | 4,693  |
| Incentive Stock Option (Right to Buy)                | \$ 9.16  |                                      |  |                                |   | (1) 08/09/2020   | Common Stock  | 6,180  |
| Incentive Stock Option (Right to Buy) (Common Stock) | \$ 9.39  |                                      |  |                                |   | (1) 02/09/2020   | Common Stock  | 5,952  |
| Incentive Stock Option (Right to Buy)                | \$ 11.6  |                                      |  |                                |   | (1) 08/10/2019   | Common Stock  | 4,393  |

