

KEITHLEY INSTRUMENTS INC

Form 4

February 28, 2007

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

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

OMB APPROVAL

OMB
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(Print or Type Responses)

1. Name and Address of Reporting Person *
ETSLER PHILIP

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

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

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

____ Director ____ 10% Owner
X Officer (give title ____ Other (specify
below) below)
VP Human Resources

6. Individual or Joint/Group Filing(Check
Applicable Line)
X 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 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	02/26/2007		M		7,000	A \$ 5.7188	43,449	D	
Common Shares	02/26/2007		M		12,000	A \$ 2.5313	55,449	D	
Common Shares	02/26/2007		M		27,000	A \$ 4.125	82,449	D	
Common Shares	02/26/2007		S		200	D \$ 15.36	82,249	D	
Common Shares	02/26/2007		S		2,000	D \$ 15.37	80,249	D	

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Common Shares	02/26/2007	S	200	D	\$ 15.38	80,049	D
Common Shares	02/26/2007	S	4,300	D	\$ 15.4	75,749	D
Common Shares	02/26/2007	S	10,300	D	\$ 15.41	65,449	D
Common Shares	02/26/2007	S	7,700	D	\$ 15.42	57,749	D
Common Shares	02/26/2007	S	1,200	D	\$ 15.43	56,549	D
Common Shares	02/26/2007	S	2,200	D	\$ 15.44	54,349	D
Common Shares	02/26/2007	S	1,100	D	\$ 15.45	53,249	D
Common Shares	02/26/2007	S	100	D	\$ 15.46	53,149	D
Common Shares	02/26/2007	S	200	D	\$ 15.47	52,949	D
Common Shares	02/26/2007	S	100	D	\$ 15.53	52,849	D
Common Shares	02/26/2007	S	100	D	\$ 15.57	52,749	D
Common Shares	02/26/2007	S	100	D	\$ 15.63	52,649	D
Common Shares	02/26/2007	S	700	D	\$ 15.64	51,949	D
Common Shares	02/26/2007	S	100	D	\$ 15.65	51,849	D
Common Shares	02/26/2007	S	100	D	\$ 15.67	51,749	D
Common Shares	02/26/2007	S	100	D	\$ 15.68	51,649	D
Common Shares	02/26/2007	S	200	D	\$ 15.71	51,449	D
Common Shares	02/26/2007	S	9,400	D	\$ 15.74	42,049	D
Common Shares	02/26/2007	S	4,600	D	\$ 15.75	37,449	D
Common Shares	02/26/2007	S	200	D	\$ 15.76	37,249	D
	02/26/2007	S	100	D	\$ 15.77	37,149	D

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Common
Shares

Common Shares	02/26/2007	S	400	D	\$ 15.78	36,749	D
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Common Shares	02/26/2007	S	300	D	\$ 15.85	36,449	D
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Restricted Common Shares ⁽¹⁾						6,016	D
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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 Underlying Security (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title or Nu of
Common Share Option	\$ 5.7188	02/26/2007		M	7,000	09/20/1999 09/19/2007	Common Shares 7
Common Share Option	\$ 2.5313	02/26/2007		M	12,000	09/12/2000 09/11/2008	Common Shares 12
Common Share Option	\$ 4.125	02/26/2007		M	27,000	07/17/2001 07/16/2009	Common Shares 27
Common Share Option	\$ 45.125					08/02/2002 08/01/2010	Common Shares 24
Common Share Option	\$ 18.41					07/25/2003 ⁽²⁾ 07/24/2011	Common Shares 22
Common Share Option	\$ 13.76					07/24/2004 ⁽³⁾ 07/23/2012	Common Shares 22
Common Share Option	\$ 16.12					08/10/2005 ⁽⁴⁾ 07/18/2013	Common Shares 24
Common	\$ 18.75					02/15/2005 ⁽²⁾ 07/16/2014	Common 21

Share Option				Shares
Common Share Option	\$ 15.05	10/04/2007 ⁽³⁾	10/03/2015	Common Shares 6
Performance Award Unit	\$ 0	09/30/2008	02/01/2012	Common Shares 5
Performance Award Unit	\$ 0	09/30/2009	02/01/2012	Common Shares 4

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
ETSLER PHILIP KEITHLEY INSTRUMENTS, INC. 28775 AURORA ROAD SOLON, OH 44139			VP Human Resources	

Signatures

Mark J. Plush,
Attorney-in Fact 02/28/2007

__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) Restricted Shares will become fully vested on January 1, 2012

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

(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) 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.

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