

KEITHLEY INSTRUMENTS INC  
 Form 4  
 July 30, 2008

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

OMB APPROVAL

OMB Number: 3235-0287  
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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)  
 KEITHLEY INSTRUMENTS,  
 INC., 28775 AURORA ROAD  
 (Street)

3. Date of Earliest Transaction  
 (Month/Day/Year)  
 07/29/2008

\_\_\_\_ Director  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
 VP Worldwide Sales & Support

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)
				(A) or (D)	Price		
				Code	V	Amount	
Common Shares	06/30/2008		J <sup>(1)</sup>	A	\$ 9.67	7,236	D
Common Shares	07/29/2008		M	A	\$ 4.125	19,236	D
Common Shares	07/29/2008		S	D	\$ 9.9992 <sup>(2)</sup>	7,236	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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**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	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	of
Common Share Option	\$ 4.125	07/29/2008		M	12,000	07/17/2001 07/16/2009	Common Shares	12	
Common Share Option	\$ 45.125					08/02/2002 <sup>(3)</sup> 08/01/2010	Common Shares	11	
Common Share Option	\$ 18.41					07/25/2003 <sup>(3)</sup> 07/24/2011	Common Shares	23	
Common Share Option	\$ 13.76					07/24/2004 <sup>(3)</sup> 07/23/2012	Common Shares	27	
Common Share Option	\$ 16.12					08/10/2005 <sup>(4)</sup> 07/18/2013	Common Shares	30	
Common Share Option	\$ 18.75					02/15/2005 <sup>(5)</sup> 07/16/2014	Common Shares	26	
Common Share Option	\$ 15.05					10/04/2007 <sup>(3)</sup> 10/03/2015	Common Shares	10	
Performance Award Unit	\$ 0					09/30/2008 <sup>(6)</sup> <sup>(6)</sup>	Common Shares	7	
Common Share Option	\$ 14					01/30/2009 <sup>(3)</sup> 01/30/2017	Common Shares	10	
Performance Award Unit	\$ 0					09/30/2009 <sup>(6)</sup> <sup>(6)</sup>	Common Shares	7	
Common Share Option	\$ 9.12					11/09/2009 <sup>(3)</sup> 11/09/2017	Common Shares	7	

Performance Award Unit \$ 0 09/30/2010<sup>(6)</sup> <sup>(6)</sup> Common Shares 5

## 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 07/30/2008

  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) Average sales price of \$9.9992 used (prices ranged from \$9.91 to \$10.08)
- (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) 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.

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.