

BACHMAN BRIAN R
 Form 4
 July 30, 2008

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
 Expires: January 31, 2005
 Estimated average burden hours per response... 0.5

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 *
 BACHMAN BRIAN R

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)
 07/29/2008

Director 10% Owner
 Officer (give title below) Other (specify below)

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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | | (A) or (D) Price | | | |
| Common Shares | | | | | 1,000 | D ⁽¹⁾ | |
| Common Shares | 07/29/2008 | | A | 1,464 A \$ 0 | 14,260 | D | |

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

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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. Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|
| Common Stock Option | \$ 17.7813 | | | | | 08/13/2000 02/12/2010 | Common Stk | 10,000 |
| Common Stock Option | \$ 36.85 | | | | | 08/18/2001 02/17/2011 | Common Stk | 10,000 |
| Common Stock Option | \$ 19.23 | | | | | 08/17/2002 02/16/2012 | Common Stk | 10,000 |
| Common Stock Option | \$ 10.7 | | | | | 08/16/2003 02/15/2013 | Common Stk | 10,000 |
| Common Stock Option | \$ 23.13 | | | | | 08/15/2004 02/14/2014 | Common Stk | 10,000 |
| Common Stock Option | \$ 16.67 | | | | | 05/13/2005 02/12/2015 | Common Stk | 10,000 |
| Phantom Stock Units | \$ 10.0342 | 07/29/2008 | | A | 9.14 | (2) (2) | Common Stk | 9.14 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| BACHMAN BRIAN R KEITHLEY INSTRUMENTS, INC. 28775 AURORA ROAD SOLON, OH 44139 | | X | | |

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) IRA

(2) The phantom stock units were accrued under the Keithley Instruments, Inc. Deferred Stock Plan and are to be settled in cash or common stock to the reporting person on the exercisable date per their deferral election.

(3) Phantom shares were acquired on various dates (beginning 2/18/2003) with prices ranging from \$9.1661 to \$24.9973.

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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