

KEITHLEY INSTRUMENTS INC  
 Form 4  
 July 30, 2008

**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 \*  
 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) |        |        | 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) |                        |
|---------------------------------|--------------------------------------|--|--------------------------------|---|--------|--------|---|--|-----------------------------------|------------------------|
|                                 |                                      |  |                                | Code  | V      | Amount |   |  |                                   | (A) or (D)             |
| Common Shares                   | 06/30/2008                           |  | J <sup>(1)</sup>               |   | 28     | A      | \$ 9.67   | 7,236  | D                                 |                        |
| Common Shares                   | 07/29/2008                           |  | M                              |   | 12,000 | A      | \$ 4.125  | 19,236   | D                                 |                        |
| Common Shares                   | 07/29/2008                           |  | S                              |   | 12,000 | 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.

**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)

**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               | Amount or Number 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   | 25                  |                     |
| 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                   |                     |

