

KEITHLEY INSTRUMENTS INC
Form SC 13D/A
October 05, 2010

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

SCHEDULE 13D

**Under the Securities Exchange Act of 1934
(Amendment No. 9)***

Keithley Instruments, Inc.

(Name of Issuer)

Common Shares, without par value

(Title of Class of Securities)

487584 10 4

(CUSIP Number)

Joseph P. Keithley

28775 Aurora Road

Solon, Ohio 44139-1891

(440) 248-0400

(Name, Address and Telephone Number of Person Authorized to
Receive Notices and Communications)

September 29, 2010

(Date of Event Which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box.

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 13d-7 for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be filed for the purpose of Section 18 of the Securities Exchange Act of 1934 (Act) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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NAMES OF REPORTING PERSONS:

1. I.R.S. Identification Nos. of Above Persons (entities only):
Joseph P. Keithley

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS):

2. (a)
(b)

SEC USE ONLY:

3.

SOURCE OF FUNDS (SEE INSTRUCTIONS):

4.

Not applicable

CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e):

5.

CITIZENSHIP OR PLACE OF ORGANIZATION:

6.

Ohio

SOLE VOTING POWER:

7.

NUMBER OF 2,741,724

SHARED VOTING POWER:

8. SHARES BENEFICIALLY OWNED BY

0

SOLE DISPOSITIVE POWER:

9. EACH REPORTING

PERSON 2,741,724

WITH SHARED DISPOSITIVE POWER:

10.

0

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:

11.

2,741,724

CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS):

12.

o

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11):

13.

16.85%

TYPE OF REPORTING PERSON (SEE INSTRUCTIONS):

14.

IN

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NAMES OF REPORTING PERSONS:

1. I.R.S. Identification Nos. of Above Persons (entities only): 34-1581748
Keithley Investment Co. Limited Partnership

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS):

2. (a)
(b)

SEC USE ONLY:

3.

SOURCE OF FUNDS (SEE INSTRUCTIONS):

4.

Not applicable

CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e):

5.

CITIZENSHIP OR PLACE OF ORGANIZATION:

6.

Ohio

SOLE VOTING POWER:

7.

NUMBER OF 1,954,816

SHARED VOTING POWER:

8. SHARES BENEFICIALLY OWNED BY

0

SOLE DISPOSITIVE POWER:

9. EACH REPORTING

PERSON 1,954,816

WITH SHARED DISPOSITIVE POWER:

10.

0

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:

11.

1,954,816

CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS):

12.

o

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11):

13.

12.38%

TYPE OF REPORTING PERSON (SEE INSTRUCTIONS):

14.

PN

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This Amendment No. 9 to Schedule 13D (this Amendment No. 9) relates to the common shares, without par value (the Common Shares), of Keithley Instruments, Inc., an Ohio corporation (the Company), and is primarily filed to reflect changes to the initial Schedule 13D dated April 12, 1988 (the Original 13D), as amended by Amendment No. 1 to Schedule 13D dated February 5, 1990 (Amendment No. 1), Amendment No. 2 to Schedule 13D dated March 9, 1991 (Amendment No. 2), Amendment No. 3 to Schedule 13D dated November 15, 1997 (Amendment No. 3), Amendment No. 4 to Schedule 13D dated February 27, 2004 (Amendment No. 4), Amendment No. 5 to Schedule 13D dated March 9, 2009 (Amendment No. 5), Amendment No. 6 to Schedule 13D dated March 12, 2009 (Amendment No. 6), Amendment No. 7 to Schedule 13D dated December 8, 2009 (Amendment No. 7), and Amendment No. 8 to Schedule 13D dated April 9, 2010 (Amendment No. 8 and, together with Amendment No. 1, Amendment No. 2, Amendment No. 3, Amendment No. 4, Amendment No. 5, Amendment No. 6 and Amendment No. 7, the Prior Amendments). Except as otherwise reflected in this Amendment No. 9, there have been no material changes to the information contained in the Original 13D, as amended by the Prior Amendments.

ITEM 4. PURPOSE OF TRANSACTION.

Item 4 of the Schedule 13D is hereby amended as follows:

On September 29, 2010, the Company entered into an Agreement and Plan of Merger (the Merger Agreement) with Danaher Corporation (Danaher) and Aegean Acquisition Corp., an indirect wholly-owned subsidiary of Danaher (Merger Sub). The Merger Agreement provides that, upon the terms and subject to the conditions set forth in the Merger Agreement, the Company will merge with and into Merger Sub, with the Company continuing as the surviving corporation and an indirect wholly-owned subsidiary of Danaher (the Merger). At the effective time and as a result of the Merger, each Common Share and Class B Share will be converted into the right to receive \$21.60 per share in cash payable by Danaher.

The Family Partnership has agreed to vote in favor of the Merger.

The foregoing description of the Merger Agreement is qualified in its entirety by reference to the full text of the Merger Agreement, which is filed as Exhibit 2 hereto, and is incorporated herein by reference.

The information set forth in Item 6 is hereby incorporated by reference into this Item 4.

ITEM 5. INTEREST IN SECURITIES OF THE ISSUER

Item 5 of the Schedule 13D is hereby amended as follows:

The following table shows the number and percentage of Common Shares beneficially owned by each of the Investors and by the Investors as a group as of September 29, 2010.

Name	Common Shares	Percent of Class
Family Partnership	1,954,816(1)	12.38%
Joseph P. Keithley	2,741,724(2)	16.85%
Investors as a group	2,741,724	16.85%

(1) Represents
1,954,816
Common Shares
issuable upon
the conversion
of 1,954,816
Class B Shares.

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- (2) Includes
- (a) 1,954,816
Common Shares
issuable upon
the conversion
of 1,954,816
Class B Shares
owned by the
Family
Partnership,
 - (b) 46,062
Common Shares
issuable upon
the conversion
of 46,062
Class B Shares
owned by the
Joseph F.
Keithley 1988
Family Trust, an
Ohio trust of
which Joseph P.
Keithley is
trustee,
 - (c) 130,000
Common Shares
issuable upon
the conversion
of 130,000
Class B Shares,
 - (d) 453,725
Common Shares
subject to
options that are
currently
exercisable or
that are
exercisable
within 60 days
from the date of
this Amendment
No. 9,
 - (e) 24,125
Common Shares
issuable with
respect to

performance
award units for
the three year
performance
period that
ended on
September 30,
2010, based on
an expected
payout at 125%
of target and
(f) 2,448
Common Shares
owned by
Joseph P.
Keithley's wife.
Joseph P.
Keithley
disclaims
beneficial
ownership of
the Common
Shares owned
by his wife. All
holders of
Class B Shares
are entitled to
convert any or
all of their
Class B Shares
into Common
Shares at any
time on a
share-for-share
basis. Each
Class B Share is
entitled to ten
votes on all
matters
presented for a
vote to the
shareholders of
the Company.
Accordingly,
the Investors are
entitled to
exercise
approximately
61.5% of the
voting power on
all matters

presented for a
vote to the
shareholders of
the Company,
including the
election of
directors.

Except as otherwise described in this Amendment No. 9, the Investors have not engaged in any transactions in the Common Shares or the Class B Shares in the past 60 days.

ITEM 6. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO SECURITIES OF THE ISSUER

Item 6 of the Schedule 13D is hereby amended as follows:

The Family Partnership has entered into a Voting Agreement, dated as of September 29, 2010, with Danaher and Merger Sub (the "Voting Agreement") pursuant to which the Family Partnership has agreed to vote (or cause to be voted) in favor of the adoption of the Merger Agreement such number of its Class B Shares (or any Common Shares, Class B Shares or other voting securities of the Company that the Family Partnership acquires beneficial ownership of after September 29, 2010) that as of the relevant time shall equal 19.99% of the voting power (as such term is used in Chapter 1701 of the Ohio Revised Code) of the Company (the "Subject Shares"). In addition, the Family Partnership agreed to vote (or cause to be voted) the Subject Shares against (i) any proposal that would result in a breach by the Company of the Merger Agreement, or (ii) any action or agreement that is intended to, or would be reasonably likely to, impede, interfere with, delay, postpone or attempt to discourage the Merger, including, but not limited to: (A) the adoption or approval by the Company of any Company Takeover Proposal (as defined in the Merger Agreement); (B) any amendment of the Company's articles of incorporation or code of regulations; (C) any material change in the present capitalization or dividend policy of the Company; or (D) any other material change in the Company's corporate structure or business. The Family Partnership also granted Merger Sub an irrevocable proxy to vote the Subject Shares on the foregoing matters.

The Family Partnership also agreed not to sell, transfer, pledge, assign or otherwise dispose of its shares or enter into any other voting agreement or convert the Family Partnership's Class B Shares into Common Shares. These obligations terminate upon the earlier of the termination of the Merger Agreement or the Effective Time (both as indicated in the Merger Agreement) or, at the option of the Family Partnership, the execution or granting of any amendment, modification, change or waiver with respect to the Merger Agreement that results in any decrease in the price to be paid per share for the Common Shares and/or Class B Shares or any changes in the form of consideration to be received by the holders of such shares in the Merger or is otherwise adverse to the shareholders of the Company.

The foregoing description of the Voting Agreement is qualified in its entirety by reference to the full text of the Voting Agreement, which is filed as Exhibit 3 hereto, and is incorporated herein by reference.

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ITEM 7. MATERIAL TO BE FILED AS EXHIBITS

1. Agreement among the Investors to file a joint statement on Schedule 13D
2. Agreement and Plan of Merger, dated September 29, 2010, by and among Danaher, the Company and Merger Sub, which is incorporated herein by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K, filed by the Company on September 29, 2010
3. Voting Agreement, dated September 29, 2010, by and among Danaher, Merger Sub and Keithley Investment Co. Limited Partnership, which is incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed by the Company on September 29, 2010

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SIGNATURES

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After reasonable inquiry and to the best of his or its knowledge and belief, each of the undersigned hereby certifies that the information set forth in this statement is true, complete and correct as of October 5, 2010.

KEITHLEY INVESTMENT CO. LIMITED
PARTNERSHIP, an Ohio limited partnership

By: /s/ Joseph P. Keithley
Joseph P. Keithley, its sole general
partner

/s/ Joseph P. Keithley
Joseph P. Keithley

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