

WOLTZ H O III
Form 4
February 10, 2010

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 *
WOLTZ H O III

2. Issuer Name and Ticker or Trading Symbol

INSTEEL INDUSTRIES INC [IIN]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

Chairman, President and CEO

(Last) (First) (Middle)

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

11/24/2009

1373 BOGGS DRIVE

(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

MOUNT AIRY, NC 27030

(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)
Common Stock	11/24/2009		G	3,500 D	\$ 0 399,620	D	
Common Stock (Restricted Stock Units)	02/09/2010		A	15,974 A	\$ 0 48,773	D	
Common Stock					60,029	I	Custodial Account
Common Stock (Restricted)					38,636	I	Restricted

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

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(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 Securities (Instr. 3 and 4)	8. Amount or Number of Shares
Stock Option (Right to Buy)	\$ 9.39	02/09/2010		A	32,468	(1) 02/09/2020	Common Stock	32,468
Stock Option (Right to Buy)	\$ 11.6					(1) 08/10/2019	Common Stock	23,962
Stock Option (Right to Buy)	\$ 7.55					(1) 02/10/2019	Common Stock	32,609
Stock Option (Right to Buy)	\$ 11.15					(1) 02/19/2018	Common Stock	28,791
Stock Option (Right to Buy)	\$ 16.69					(1) 08/19/2018	Common Stock	15,957
Stock Option (Right to Buy)	\$ 17.11					(1) 02/13/2017	Common Stock	14,395
Stock Option (Right to Buy)	\$ 20.27					(1) 08/13/2017	Common Stock	11,878

Stock Option (Right to Buy)	\$ 20.26	<u>(1)</u>	08/14/2007	Common Stock	6,369
Stock Option (Right to Buy)	\$ 15.64	<u>(1)</u>	02/14/2016	Common Stock	9,144
Stock Option (Right to Buy)	\$ 9.12	<u>(1)</u>	03/04/2015	Common Stock	17,826
Stock Option (Right to Buy)	\$ 6.89	<u>(1)</u>	07/26/2015	Common Stock	11,532

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
WOLTZ H O III 1373 BOGGS DRIVE MOUNT AIRY, NC 27030	X		Chairman, President and CEO	

Signatures

James F. Petelle for H. O.
Woltz III

02/10/2010

 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) Options vest 1/3 annually beginning one year from grant date.

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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