

KLA TENCOR CORP

Form 4

October 13, 2010

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

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

## OMB APPROVAL

OMB  
Number: 3235-0287  
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2005  
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response... 0.5

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
**WALLACE RICHARD P**

(Last) (First) (Middle)

**C/O KLA-TENCOR  
CORPORATION, ONE  
TECHNOLOGY DRIVE**

(Street)

**MILPITAS, CA 95035**

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading  
Symbol  
**KLA TENCOR CORP [KLAC]**

3. Date of Earliest Transaction  
(Month/Day/Year)  
**10/11/2010**

4. If Amendment, Date Original  
Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to  
Issuer

(Check all applicable)

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

President and CEO

6. Individual or Joint/Group Filing(Check  
Applicable Line)  
☒ Form filed by One Reporting Person  
☐ Form filed by More than One Reporting  
Person

**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	10/11/2010		M	3,791 A	\$ 26.25 129,548	D	
Common Stock	10/11/2010		M	3,209 A	\$ 32.88 132,757	D	
Common Stock	10/11/2010		S	7,000 D	\$ 34.6154 125,757	D	
Common Stock - Restricted					317,945 <sup>(3)</sup>	D	

## Stock Units

(2)

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

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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 Underlying Securities (Instr. 3 and 4)	Amount or Number of Shares
Non-Qualified Stock Option (Right to Buy)	\$ 26.25	10/11/2010		M	3,791	<u>(4)</u> 11/10/2010	Common Stock	3,791
Non-Qualified Stock Option (Right to Buy)	\$ 32.88	10/11/2010		M	3,209	<u>(5)</u> 11/10/2010	Common Stock	3,209

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
WALLACE RICHARD P C/O KLA-TENCOR CORPORATION ONE TECHNOLOGY DRIVE MILPITAS, CA 95035	X		President and CEO	

## Signatures

Brian M. Martin as Attorney-in-Fact for Richard P.  
Wallace

10/13/2010

\*\*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).

This transaction was executed in multiple trades at prices ranging from \$34.22 to \$35.12. The price reported above reflects the weighted average purchase price. The Reporting Person hereby undertakes to provide upon request to the SEC staff, the issuer or a security holder of the issuer full information regarding the number of shares and prices at which the transaction was effected.

(1) Each RSU represents a contingent right to receive one share of KLA-Tencor common stock.

Does not include performance-based RSUs, if any, held by the Reporting Person for which an assessment has not yet been made

(3) regarding the achievement of the applicable performance goals. Any such holdings will be reported on Form 4 within two business days of the date such assessment is made.

Represents the remaining unexercised portion of a stock option granted on November 10, 2000, granting the Reporting Person the right to purchase up to 14,291 shares of KLA-Tencor common stock. 3,500 shares subject to this stock option vested on the one-year anniversary of the grant date, and 1/48 of the remaining 10,791 shares vested on each monthly anniversary thereafter until November 10, 2005.

(4) Represents a stock option granted on November 10, 2000, granting the Reporting Person the right to purchase up to 3,209 shares of KLA-Tencor common stock. 1/48 of the total number of shares subject to this stock option vested on the 13-month anniversary of the grant date and on each monthly anniversary thereafter until November 10, 2005.

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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