

GAZMARIAN MICHAEL C  
Form 4  
February 10, 2010

**FORM 4**

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

OMB APPROVAL

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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 \*  
GAZMARIAN MICHAEL C

(Last) (First) (Middle)

1373 BOGGS DR

(Street)

MOUNT AIRY, NC 27030

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol

INSTEEL INDUSTRIES INC [IIN]

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

10/29/2009

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)

Vice President and CFO

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 Ownership (Instr. 4) |
|---------------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
|                                       |                                      |  | Code                           | V   | Amount  | (D)  | Price                             |
| Common Stock                          | 10/29/2009                           |  | G                              |   | 3,000   | D  | \$ 0                              |
| Common Stock                          | 11/24/2009                           |  | G                              |   | 500   | D  | \$ 0                              |
| Common Stock                          | 12/02/2009                           |  | G                              |   | 2,400   | D  | \$ 0                              |
| Common Stock (Restricted Stock Units) | 02/09/2010                           |  | A                              |   | 7,322   | A  | \$ 0                              |
|                                       |                                      |  |                                |   |   |  | 17,708                            |
|                                       |                                      |  |                                |   |   |  | D                                 |

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Common  
Stock  
(Restricted)

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 of Underlying Securities (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
|  |  |                                      |  | Code                           | V (A) (D)   | Date Exercisable Expiration Date                         | Title Amount or Number of Shares                              |
| Incentive Stock Option (Right to Buy) (Common Stock) | \$ 9.39  | 02/09/2010                           |  | A                              | 14,881  | <u>(1)</u> 02/09/2020                                    | Common Stock 14,881   |
| Incentive Stock Option (Right to Buy)                | \$ 11.6  |                                      |  |                                |   | <u>(1)</u> 08/10/2019                                    | Common Stock 10,982   |
| Incentive Stock Option (Right to Buy)                | \$ 7.55  |                                      |  |                                |   | <u>(1)</u> 02/10/2019                                    | Common Stock 14,946   |
| Incentive Stock Option (Right to Buy)                | \$ 11.15   |                                      |  |                                |   | <u>(1)</u> 02/19/2018                                    | Common Stock 13,196   |
| Incentive Stock                                      | \$ 16.69   |                                      |  |                                |   | <u>(1)</u> 08/19/2018                                    | Common Stock 7,314  |

|   |          |     |            |                 |       |
|---|----------|-----|------------|-----------------|-------|
| Option<br>(Right to<br>Buy)                       |          |     |            |                 |       |
| Incentive<br>Stock<br>Option<br>(Right to<br>Buy) | \$ 17.11 | (1) | 02/13/2017 | Common<br>Stock | 6,598 |
| Incentive<br>Stock<br>Option<br>(Right to<br>Buy) | \$ 20.27 | (1) | 08/13/2017 | Common<br>Stock | 5,444 |
| Incentive<br>Stock<br>Option<br>(Right to<br>Buy) | \$ 20.26 | (1) | 08/14/2016 | Common<br>Stock | 2,841 |
| Incentive<br>Stock<br>Option<br>(Right to<br>Buy) | \$ 15.64 | (1) | 02/14/2016 | Common<br>Stock | 4,080 |
| Incentive<br>Stock<br>Option<br>(Right to<br>Buy) | \$ 9.12  | (1) | 03/04/2015 | Common<br>Stock | 5,301 |
| Incentive<br>Stock<br>Option<br>(Right to<br>Buy) | \$ 6.89  | (1) | 07/26/2015 | Common<br>Stock | 3,430 |

## Reporting Owners

| Reporting Owner Name / Address                               | Relationships |           |                        |       |
|--|---------------|-----------|------------------------|-------|
|  | Director      | 10% Owner | Officer                | Other |
| GAZMARIAN MICHAEL C<br>1373 BOGGS DR<br>MOUNT AIRY, NC 27030 |               |           | Vice President and CFO |       |

## Signatures

James F. Petelle for Michael C.  
Gazmarian

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. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.