

Bell Bobby R
 Form 4
 November 02, 2011

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 *
 Bell Bobby R

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
 C/O KLA-TENCOR CORPORATION, ONE TECHNOLOGY DRIVE

3. Date of Earliest Transaction (Month/Day/Year)
 11/01/2011

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
 Executive Vice President

(Street)
 MILPITAS, CA 95035

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) (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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|--|
| | | | Code | V Amount (D) Price | | | |
| Common Stock | 11/01/2011 | | M | 1,354 A \$ 37.05 | 28,192 | D | |
| Common Stock | 11/01/2011 | | M | 1,896 A \$ 37.43 | 30,088 | D | |
| Common Stock | 11/01/2011 | | S ⁽¹⁾ | 7,736 D \$ 45.4838 | 22,352 | D | |
| Common Stock - Restricted | | | | | 96,158 ⁽⁴⁾ | D | |

Stock Units

(3)

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) | Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|
| Non-Qualified Stock Option (Right to Buy) | \$ 37.05 | 11/01/2011 | | M | 1,354 | <u>(5)</u> 11/08/2012 | Common Stock | 1,354 |
| Non-Qualified Stock Option (Right to Buy) | \$ 37.43 | 11/01/2011 | | M | 1,896 | <u>(6)</u> 11/08/2012 | Common Stock | 1,896 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|--------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Bell Bobby R C/O KLA-TENCOR CORPORATION ONE TECHNOLOGY DRIVE MILPITAS, CA 95035 | | | Executive Vice President | |

Signatures

Brian M. Martin as Attorney-in-Fact for Bobby R. Bell 11/02/2011

__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) This sale was effected pursuant to a Rule 10b5-1 trading plan adopted by the Reporting Person on September 1, 2011.

This transaction was executed in multiple trades at prices ranging from \$45.3305 to \$45.68. The price reported above reflects the

(2) 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.

(3) Each restricted stock unit ("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

(4) 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 a stock option granted on November 8, 2002, granting the Reporting Person the right to purchase up to 1,354 shares of

(5) KLA-Tencor common stock. 650 of the shares subject to this stock option vested on November 8, 2003, and 1/13 of the remaining 704 shares subject to this stock option vested on the 13-month anniversary of the grant date and each monthly anniversary thereafter until December 8, 2004.

Represents a stock option granted on November 8, 2002, granting the Reporting Person the right to purchase up to 1,896 shares of

(6) KLA-Tencor common stock. 1/35 of the 1,896 shares subject to this stock option vested on the 26-month anniversary of the grant date and each monthly anniversary thereafter until November 8, 2007.

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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