

KLA TENCOR CORP
Form 4
January 29, 2013

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

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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 *
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)
01/25/2013

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	01/25/2013		S ⁽¹⁾	11,660 D	\$ 56.02 48,840	I	By Trust (2)
Common Stock	01/25/2013		M	12,500 A	\$ 51.229 61,340	I	By Trust (2)
Common Stock	01/25/2013		S ⁽¹⁾	12,500 D	\$ 56.31 48,840	I	By Trust (2)
Common Stock	01/25/2013		M	50,000 A	\$ 52.53 98,840	I	By Trust (2)
Common Stock	01/25/2013		S ⁽¹⁾	50,000 D	\$ 53.69 48,840	I	By Trust (2)

Common Stock - Restricted Stock Units (3) 248,500 (4) D

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 Security (Instr. 3 and 4)	Amount or Number of Shares	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Non-Qualified Stock Option (Right to Buy)	\$ 52.53	01/25/2013		M	50,000	(5) 02/17/2013	Common Stock	50,000	
Non-Qualified Stock Option (Right to Buy)	\$ 51.229	01/25/2013		M	12,500	(6) 07/30/2013	Common Stock	12,500	

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 01/29/2013

**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 the terms of a Rule 10b5-1 trading plan adopted by the Reporting Person on December 15, 2009, as modified most recently on December 12, 2011, which plan was administratively transferred to a new broker effective November 2, 2012.

(2) Shares held under the Wallace Living Trust u/a/d 03/27/01, as amended, a trust of which the Reporting Person is a trustee and beneficiary.

(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 February 17, 2006, granting the Reporting Person the right to purchase up to 50,000 shares of KLA-Tencor common stock. 10,000 of the shares subject to this stock option vested on the one-year anniversary of the grant date, and 1/48 of the remaining 40,000 shares subject to this stock option vested on the 13-month anniversary of the grant date and each monthly anniversary thereafter until February 17, 2011.
(5)

Represents a stock option granted on July 30, 2003, granting the Reporting Person the right to purchase up to 12,500 shares of KLA-Tencor common stock. 2,500 of the shares subject to this stock option vested on the November 8, 2003 and 1/48 of the remaining 2,600 shares subject to this stock option vested on December 8, 2003 and each monthly anniversary thereafter until November 8, 2007.
(6)

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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