

GAZMARIAN MICHAEL C
Form 4
February 11, 2009

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

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 DRIVE

(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)

02/10/2009

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)

Treasurer

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)
				(A) or (D) Code V Amount (D) Price			
Common Stock	11/12/2008		G	V 3,600 D \$0	117,801	D	
Common Stock	11/14/2008		G	V 5,900 D \$0	111,901	D	
Common Stock ⁽¹⁾	02/10/2009		A	9,106 A \$0	121,007	D	
Common Stock					21,847.4882	I	Restricted

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

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

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
Incentive Stock Option (right to buy)	\$ 7.55	02/10/2009		A	V 6,342	(2) 02/10/2019	02/10/2019	Common Stock	6,342
Non-Qualified Stock Option (right to buy)	\$ 7.55	02/10/2009		A	V 8,604	(2) 02/10/2019	02/10/2019	Common Stock	8,604
Incentive Stock Option (right to buy)	\$ 6.89					07/26/2006	07/26/2015	Common Stock	3,402
Incentive Stock Option (right to buy)	\$ 9.12					(2)	03/04/2015	Common Stock	5,300
Incentive Stock Option (right to buy)	\$ 11.15					(2)	02/19/2018	Common Stock	13,000
Incentive Stock Option (right to buy)	\$ 15.64					02/14/2007	02/14/2016	Common Stock	4,000
Incentive Stock Option (right to buy)	\$ 16.69					(2)	08/19/2018	Common Stock	2,400
Incentive Stock Option (right to buy)	\$ 17.11					(2)	02/13/2017	Common Stock	5,700
Incentive Stock Option (right to buy)	\$ 20.26					08/14/2007	08/14/2016	Common Stock	2,800

Incentive Stock Option (right to buy)	\$ 20.27	(2)	08/13/2017	Common Stock	2,2
Non-Qualified Stock Option (right to buy)	\$ 16.69	(2)	08/19/2018	Common Stock	4,8
Non-Qualified Stock Option (right to buy)	\$ 17.11	(2)	02/13/2017	Common Stock	82
Non-Qualified Stock Option (right to buy)	\$ 20.27	(2)	08/13/2017	Common Stock	3,2

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
GAZMARIAN MICHAEL C 1373 BOGGS DRIVE MOUNT AIRY, NC 27030			Treasurer	

Signatures

By: James F. Petelle For: Michael C. Gazmarian 02/11/2009

__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) Restricted Stock Units

(2) options vest 1/3 annually beginning 1 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.