

Martin Brian
Form 4
August 03, 2012

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 *
Martin Brian

(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)
08/02/2012

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)
Executive VP & General Counsel

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) | |
|--|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|---|
| | | | | (A) or (D) | Price | | | |
| | | | | Code | V | Amount | | |
| Common Stock - Restricted Stock Units <u>(1)</u> | 08/02/2012 | | A | 9,900 <u>(2)</u> <u>(3)</u> | A | \$ 0 | 55,250 <u>(5)</u> | D |
| Common Stock - Restricted Stock Units <u>(1)</u> | 08/02/2012 | | A | 7,300 <u>(4)</u> | A | \$ 0 | 62,550 <u>(5)</u> | D |
| | | | | | | | 5,612 <u>(6)</u> | D |

Common
Stock

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

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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) | 8. Price of Derivative Security (Instr. 5) | 9. Number of Derivative Securities Beneficially Owned (Instr. 6) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|--|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|--------------------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Martin Brian C/O KLA-TENCOR CORPORATION ONE TECHNOLOGY DRIVE MILPITAS, CA 95035 | | | Executive VP & General Counsel | |

Signatures

Brian M. Martin 08/03/2012
 **Signature of Date
 Reporting Person

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) Each restricted stock unit ("RSU") represents a contingent right to receive one share of KLA-Tencor common stock.
 - (2) On August 5, 2010, in addition to the RSUs granted on that date that were subject only to service-vesting requirements (which RSUs have been previously reported on Form 4), the Reporting Person was also granted RSUs covering up to 9,900 shares of KLA-Tencor common stock, subject to both performance-vesting and service-vesting requirements. Following the completion of KLA-Tencor's audited

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financial statements for the 2012 fiscal year, the Compensation Committee of KLA-Tencor's Board of Directors determined on August 2, 2012 the level at which the corporate performance goals were attained and, based on the assessment, determined that the number of shares subject to the RSUs is 9,900.

- (3) The Reporting Person will vest in fifty percent (50%) of the RSUs upon his completion of two years of service with KLA-Tencor measured from the grant date (August 5, 2010) and will vest in the remaining fifty percent (50%) upon his completion of an additional two years of service thereafter. The shares of common stock will be issued as the RSUs vest.

- (4) Represents a grant of RSUs subject only to service-vesting requirements. The Reporting Person will vest in twenty-five percent (25%) of the RSUs on the one-year anniversary of the grant date (August 2, 2012) and an additional twenty-five percent (25%) on each annual anniversary of the grant date thereafter through August 2, 2016, in each case subject to the Reporting Person continuing as a service provider to KLA-Tencor through the applicable vesting date. The shares of common stock will be issued as the RSUs vest.

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

- (6) Includes 213 shares acquired under the KLA-Tencor Employee Stock Purchase Plan on December 31, 2011.

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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