

Bell Bobby R
Form 4
August 02, 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 *
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)
07/31/2012

____ Director
 Officer (give title below) _____ 10% Owner
_____ 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 Beneficial Ownership (Instr. 4)
Common Stock	07/31/2012		M	17,000 A	\$ 47.95 30,945	D	
Common Stock	07/31/2012		M	542 A	\$ 34.67 31,487	D	
Common Stock	07/31/2012		S ⁽¹⁾	17,542 D	\$ 51.1468 13,945	D	
Common Stock - Restricted					85,700 ⁽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 Security (Instr. 3 and 4)	8. Amount or Number of Shares
Non-Qualified Stock Option (Right to Buy)	\$ 47.95	07/31/2012		M	17,000	⁽⁵⁾ 09/26/2012	Common Stock	17,000
Non-Qualified Stock Option (Right to Buy)	\$ 34.67	07/31/2012		M	542	⁽⁶⁾ 01/28/2013	Common Stock	542

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 08/02/2012

 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).

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- (1) This sale was effected pursuant to a Rule 10b5-1 trading plan adopted by the Reporting Person on May 30, 2012.
- (2) This transaction was executed in multiple trades at prices ranging from \$51.00 to \$51.42. The price reported above reflects the weighted average sales 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.
- (4) 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.
- (5) Represents a stock option granted on September 26, 2005, granting the Reporting Person the right to purchase up to 17,000 shares of KLA-Tencor common stock. 3,400 of the shares subject to this stock option vested on September 26, 2006 and 1/48 of the remaining 13,600 shares subject to this stock option vested on the 13-month anniversary of the grant date and each monthly anniversary thereafter until September 26, 2010.
- (6) Represents a stock option granted on January 28, 2003, granting the Reporting Person the right to purchase up to 6,500 shares of KLA-Tencor common stock. 1,300 of the shares subject to this stock option vested on November 8, 2003 and 1/48 of the remaining 5,200 shares subject to this stock option vested on December 8, 2003 and each monthly anniversary of such date 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. 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.