

PETELLE JAMES F

Form 4

August 22, 2012

FORM 4**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

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

OMB APPROVAL

OMB
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(Print or Type Responses)

1. Name and Address of Reporting Person *
PETELLE JAMES F

(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)

08/21/2012

4. If Amendment, Date Original
Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

____ Director ____ 10% Owner
____X____ Officer (give title ____ Other (specify
below) below)

Vice President

6. Individual or Joint/Group Filing(Check
Applicable Line)
____X____ 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)
Common Stock (Restricted Stock Units)	08/21/2012		A	3,666 A	\$ 0 19,616	D	
Common Stock					6,467	D	

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

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information contained in this form are not
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SEC 1474
(9-02)

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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. D
				Code	V	(A)	(D)	
Stock Option (Right to Buy)	\$ 10.23	08/21/2012		A	8,427	(1)	08/21/2022	Common Stock 8,427
Stock Option (Right to Buy)	\$ 13.06					(1)	02/21/2022	Common Stock 6,188
Incentive Stock Option (Right to Buy)	\$ 10.72					(1)	08/08/2021	Common Stock 5,670
Incentive Stock Option (Right to Buy)	\$ 7.55					(1)	02/10/2019	Common Stock 1,100
Incentive Stock Option (Right to Buy)	\$ 12.43					(1)	02/08/2021	Common Stock 4,693
Incentive Stock Option (Right to Buy)	\$ 9.16					(1)	08/09/2020	Common Stock 6,180
Incentive Stock Option (Right to	\$ 9.39					(1)	02/09/2020	Common Stock 5,952

Buy)
(Common
Stock)

Incentive
Stock

Option	\$ 11.6	<u>(1)</u>	08/10/2019	Common Stock	4,393
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(Right to
Buy)

Incentive
Stock

Option	\$ 11.15	<u>(1)</u>	02/19/2018	Common Stock	5,278
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(Right to
Buy)

Incentive
Stock

Option	\$ 16.69	<u>(1)</u>	08/19/2018	Common Stock	2,926
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(Right to
Buy)

Incentive
Stock

Option	\$ 17.11	<u>(1)</u>	02/13/2017	Common Stock	2,639
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(Right to
Buy)

Incentive
Stock

Option	\$ 20.27	<u>(1)</u>	08/13/2017	Common Stock	2,178
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(Right to
Buy)

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
PETELLE JAMES F 1373 BOGGS DRIVE MOUNT AIRY, NC 27030			Vice President	

Signatures

James F. Petelle 08/22/2012

__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).

(1) Options vest 1/3 annually beginning one year from grant date

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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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