

Martin Brian
 Form 4
 August 05, 2011

FORM 4

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

OMB APPROVAL

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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 *
 Martin Brian

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)

3. Date of Earliest Transaction (Month/Day/Year)
 08/03/2011

___ Director ___ 10% Owner
 Officer (give title below) ___ Other (specify below)
 Senior VP & General Counsel

C/O KLA-TENCOR CORPORATION, ONE TECHNOLOGY DRIVE

(Street)

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

MILPITAS, CA 95035

(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)
				(A) or (D)	Price		
Common Stock	08/03/2011		A	5,525	A <u>(1)</u> 15,368	D	
Common Stock	08/03/2011		F	2,027 <u>(2)</u>	D \$ 39.08 13,341	D	
Common Stock	08/03/2011		A	5,525	A <u>(3)</u> 18,866	D	
Common Stock	08/03/2011		F	2,184 <u>(4)</u>	D \$ 39.08 16,682	D	
Common Stock	08/03/2011		A	9,700	A <u>(5)</u> 26,382	D	

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Common Stock	08/03/2011	F	4,528 (6)	D	\$ 39.08	21,854	D
Common Stock - Restricted Stock Units (7)	08/04/2011	A	7,200 (8)	A	\$ 0	47,311 (9)	D

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 Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned Following Transaction (Instr. 3)
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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			Senior VP & General Counsel	

Signatures

Brian M. Martin 08/05/2011
 **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) On August 3, 2009, Mr. Martin received a grant of restricted stock units ("RSUs") covering 11,050 shares of KLA-Tencor common stock. On August 3, 2011, Mr. Martin vested in fifty percent (50%) of such RSUs.
- Pursuant to the terms of the August 3, 2009 RSU grant, 2,027 shares of KLA-Tencor common stock were automatically withheld at vesting to cover required tax withholding. The fair market value of KLA-Tencor common stock used for purposes of calculating the number of shares to be withheld was the closing price of KLA-Tencor common stock as reported on the NASDAQ Stock Market on such vesting date.
- (2) On August 3, 2009, Mr. Martin received a grant of performance-based RSUs that, following the completion of fiscal year 2010, were determined by the Compensation Committee of KLA-Tencor's Board of Directors (in August 2010) to cover, based on KLA-Tencor's financial performance during fiscal year 2010, 11,050 shares of KLA-Tencor common stock. On August 3, 2011, Mr. Martin vested in fifty percent (50%) of such performance-based RSUs.
- Pursuant to the terms of the August 3, 2009 performance-based RSU grant, 2,184 shares of KLA-Tencor common stock were automatically withheld at vesting to cover required tax withholding. The fair market value of KLA-Tencor common stock used for purposes of calculating the number of shares to be withheld was the closing price of KLA-Tencor common stock as reported on the NASDAQ Stock Market on such vesting date.
- (3) On August 3, 2009, Mr. Martin received a supplemental grant of RSUs covering 19,400 shares of KLA-Tencor common stock. On August 3, 2011, Mr. Martin vested in fifty percent (50%) of such RSUs.
- Pursuant to the terms of the August 3, 2009 supplemental RSU grant, 4,528 shares of KLA-Tencor common stock were automatically withheld at vesting to cover required tax withholding. The fair market value of KLA-Tencor common stock used for purposes of calculating the number of shares to be withheld was the closing price of KLA-Tencor common stock as reported on the NASDAQ Stock Market on such vesting date.
- (4) Each RSU represents a contingent right to receive one share of KLA-Tencor common stock.
- (5) Represents a grant of RSUs subject only to service-vesting requirements. Mr. Martin 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 4, 2011) 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.
- (6) Does not include performance-based RSUs, if any, held by Mr. Martin for which an assessment has not yet been made regarding the achievement of the applicable performance goals. Any such holdings will be reported on a Form 4 within two business days of the date such assessment is made.
- (7) (8) (9)

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.