

KLA TENCOR CORP
Form 4
September 08, 2015

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 *
Higgins Bren D.

(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)
09/03/2015

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)
EVP & Chief Financial Officer

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) | Price | | |
| Common Stock - Restricted Stock Units (1) | 09/03/2015 | | A | 3,925 (2) (3) | A \$ 0 | 36,188 (4) (5) | D |
| Common Stock | 09/07/2015 | | M | 1,963 | A \$ 0 (6) | 2,530 | D |
| Common Stock | 09/07/2015 | | F | 738 (7) | D \$ 47.54 | 1,792 | D |
| Common Stock | 09/07/2015 | | M | 785 (8) | A \$ 0 | 2,577 | D |

Stock

Common Stock 09/07/2015 F 410 ⁽⁹⁾ D \$ 47.54 2,167 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 Reported Transaction (Instr. 6) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|---|
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|---|

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|-------------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Higgins Bren D. C/O KLA-TENCOR CORPORATION ONE TECHNOLOGY DRIVE MILPITAS, CA 95035 | | | EVP & Chief Financial Officer | |

Signatures

Teri Little as Attorney-in-Fact for Bren D. Higgins 09/08/2015

__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) Each restricted stock unit ("RSU") represents a contingent right to receive one share of KLA-Tencor common stock.
- (2)

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On September 7, 2012, in addition to the RSUs granted on that date that were subject only to service-vesting requirements (which RSUs were previously reported on Form 4), the Reporting Person was also granted RSUs covering up to 3,140 shares of KLA-Tencor common stock, subject to both performance-vesting and service-vesting requirements. Following the completion of KLA-Tencor's audited financial statements for the 2015 fiscal year, on September 3, 2015 the Compensation Committee of KLA-Tencor's Board of Directors determined 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 3,925.

- (3) The Reporting Person vested fifty percent (50%) of the performance-based RSUs upon the date on which the Compensation Committee of KLA-Tencor's Board of Directors determined the level at which the underlying performance goals were attained (September 3, 2015) and will vest in the remaining fifty percent (50%) upon his completion of four years of service following the grant date of the award (September 7, 2012). The shares of common stock will be issued as the performance-based RSUs vest.
- (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 a Form 4 within two business days of the date such assessment is made.
- (5) Reflects an increase of 3,925 RSUs in connection with the determination of the level at which the September 7, 2012 performance-based RSUs were attained, less the fifty percent (50%) of such award that vested upon such assessment, as described in footnote 3.
- (6) As noted in Footnote 2, on September 7, 2012, the Reporting Person received a grant of performance-based RSUs that, following the completion of fiscal year 2015, was determined by the Compensation Committee of KLA-Tencor's Board of directors (on September 3, 2015) to cover 3,925 shares of KLA-Tencor common stock. On September 7, 2015, the Reporting Person vested in fifty percent (50%) of such performance-based RSUs.
- (7) Pursuant to such terms of the September 7, 2012 RSU grant, 738 shares of KLA-Tencor common stock were automatically withheld on the vesting date to cover required tax withholding. Because the vesting date of such RSUs occurred on a day on which the NASDAQ Stock Market was closed for trading, 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 last completed trading day immediately prior to such vesting date.
- (8) On September 7, 2012, the Reporting Person received a grant of restricted stock units covering 3,140 shares of KLA-Tencor common stock. On September 7, 2015, the Reporting Person vested in twenty-five percent (25%) of such RSUs.
- (9) Pursuant to such terms of the September 7, 2012 RSU grant, 410 shares of KLA-Tencor common stock were automatically withheld on the vesting date to cover required tax withholding. Because the vesting date of such RSUs occurred on a day on which the NASDAQ Stock Market was closed for trading, 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 last completed trading day immediately prior to such vesting date.

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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