

SFERRA JAMES P/
Form 4
August 26, 2008

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

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 *
SFERRA JAMES P/

2. Issuer Name and Ticker or Trading Symbol
LSI INDUSTRIES INC [LYTS]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
LSI INDUSTRIES INC., 10000
ALLIANCE ROAD
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
08/22/2008

Director 10% Owner
 Officer (give title below) Other (specify below)
Executive VP - Manufacturing

CINCINNATI, OH 45242
(City) (State) (Zip)

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

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 Shares					339,532	D	
Common Shares					12,622	I	Held by Trustee for Children
Common Shares ⁽¹⁾					31,970	D	

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

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SEC 1474 (9-02)

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) Common shares held in the LSI Industries Inc. Non-Qualified Deferred Compensation Plan.
- (2) Options are exercisable at a rate of 40% on 2nd grant date anniversary and 30% on 3rd and 4th grant date anniversaries, cumulative to the extent not exercised in a prior year.
- (3) Options are exercisable at a rate of 43% on 1st grant date anniversary, 43% on 2nd anniversary and 14% on third anniversary, cumulative to the extent not exercised in a prior year.
- (4) Options vest on the anniversary of the grant date, 15% in 2005, 33-1/3% in 2006, 33-1/3% in 2007 and 18-1/3% in 2008.
- (5) The options vest in equal annual amounts of 25% per year beginning on August 24, 2007.
- (6) The options vest in equal annual amounts of 25% per year beginning on August 24, 2008.
- (7) The options vest in equal annual amounts of 25% per year beginning on August 22, 2009.

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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