

Bell Bobby R
Form 4
September 20, 2010

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 *
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)

____ Director ____ 10% Owner
 Officer (give title below) ____ Other (specify below)
Executive Vice President

(Last) (First) (Middle)
C/O KLA-TENCOR CORPORATION, ONE TECHNOLOGY DRIVE
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
09/19/2010

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)
			Code	V	Amount or Price		
Common Stock	09/19/2010		A		9,375 A <u>(1)</u>	37,187	D
Common Stock	09/19/2010		F		4,377 <u>(2)</u> D \$ 31.05	32,810	D
Common Stock - Restricted Stock Units <u>(3)</u>						120,358 <u>(4)</u>	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)

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 (Instr. 5)
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

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 09/20/2010

__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) On September 19, 2006, Mr. Bell received a grant of restricted stock units ("RSUs") covering 18,750 shares of KLA-Tencor common stock. On September 19, 2010, Mr. Bell vested in fifty percent (50%) of such RSUs.
Pursuant to the terms of the September 19, 2006 RSU grant, 4,377 shares of KLA-Tencor common stock were automatically withheld at vesting 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.
 - (3) Each RSU represents a contingent right to receive one share of KLA-Tencor common stock.

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- Does not include performance-based RSUs, if any, held by the Reporting Person for which an assessment has not yet been made
- (4) 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.

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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