

GAZMARIAN MICHAEL C
Form 4
February 20, 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 *
GAZMARIAN MICHAEL C

2. Issuer Name and Ticker or Trading Symbol
INSTEEL INDUSTRIES INC [IIN]

5. Relationship of Reporting Person(s) to Issuer
(Check all applicable)

(Last) (First) (Middle)
1373 BOGGS DRIVE
(Street)

3. Date of Earliest Transaction
(Month/Day/Year)
02/19/2008

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

MOUNT AIRY, NC 27030
(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)
			Code	V Amount (A) or (D) Price			
Common Stock	11/21/2007		G	V 1,000 D \$ 0	118,279	D	
Common Stock	11/29/2007		G	V 5,000 D \$ 0	113,279	D	
Common Stock	02/19/2008		A	6,166 A \$ 0	25,850.4882	I	Restricted

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

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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 Security (Instr. 3 and 4)
				Code V	(A) (D)	Date Exercisable Expiration Date	Title Amount or Number of Shares
Incentive Stock Option (right to buy)	\$ 11.15	02/19/2008 ⁽¹⁾		A	13,196	⁽¹⁾ 02/19/2018	Common Stock 13,196
Incentive Stock Option (right to buy)	\$ 6.89					07/26/2006 07/26/2015	Common Stock 3,125
Incentive Stock Option (right to buy)	\$ 9.12					⁽¹⁾ 03/04/2015	Common Stock 5,000
Incentive Stock Option (right to buy)	\$ 15.64					02/14/2007 02/14/2016	Common Stock 4,000
Incentive Stock Option (right to buy)	\$ 17.11					⁽¹⁾ 02/13/2017	Common Stock 5,000
Incentive Stock Option (right to buy)	\$ 20.26					08/14/2007 08/14/2016	Common Stock 2,000
Incentive Stock Option (right to buy)	\$ 20.27					⁽¹⁾ 08/13/2017	Common Stock 2,000
Non-Qualified Stock Option (right to buy)	\$ 17.11					⁽¹⁾ 02/13/2017	Common Stock 8,000
Non-Qualified Stock Option (right to buy)	\$ 20.27					⁽¹⁾ 08/13/2017	Common Stock 3,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
GAZMARIAN MICHAEL C 1373 BOGGS DRIVE MOUNT AIRY, NC 27030			Treasurer	

Signatures

By: James F. Petelle For: Michael C.
Gazmarian

02/20/2008

__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 1 year from grant 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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