

Jafroodi Scot R
Form 4
August 16, 2010

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 *
Jafroodi Scot R

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)

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

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

5532 GARDEN PARK LANE

08/13/2010

Chief Accounting Officer

(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

WINSTON SALEM, NC 27106

(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 Ownership (Instr. 4)
			Code	V Amount (D) Price			
Common Stock	08/13/2010		F	502 D \$ 8.49	3,420	D	
Common Stock (Restricted Stock Units)					11,944	D	
Common Stock					4,114	I	Restricted

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

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SEC 1474 (9-02)

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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 Securities (Instr. 3 and 4)	8. Price or Amount of Derivative Security (Instr. 3)	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Incentive Stock Option (Right to Buy)	\$ 9.16					<u>(1)</u> 08/09/2020		Common Stock	6,180
Incentive Stock Option (Right to Buy) (Common Stock)	\$ 9.39					<u>(1)</u> 02/09/2020		Common Stock	5,952
Incentive Stock Option (Right to Buy)	\$ 11.6					<u>(1)</u> 08/10/2019		Common Stock	4,393
Incentive Stock Option (right to buy)	\$ 7.55					<u>(1)</u> 02/10/2019		Common Stock	5,978
Incentive Stock Option (right to buy)	\$ 11.15					<u>(1)</u> 02/19/2018		Common Stock	5,278
	\$ 16.69					<u>(1)</u> 08/19/2018			2,926

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Incentive Stock Option (right to buy)				Common Stock	
Incentive Stock Option (right to buy)	\$ 17.11	(1)	02/13/2017	Common Stock	2,639
Incentive Stock Option (right to buy)	\$ 20.27	(1)	08/13/2017	Common Stock	2,178

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Jafroodi Scot R 5532 GARDEN PARK LANE WINSTON SALEM, NC 27106			Chief Accounting Officer	

Signatures

James F. Petelle for Scot R.
Jafroodi

08/10/2010

**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) 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. 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.