

Jafroodi Scot R  
Form 4  
February 10, 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 \*  
Jafroodi Scot R

(Last) (First) (Middle)  
965 KAYE GIBBSONS COURT  
(Street)

KERNERSVILLE, NC 27284

(City) (State) (Zip)

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

3. Date of Earliest Transaction  
(Month/Day/Year)  
02/09/2010

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)  
Chief Accounting 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)
			Code	V	Amount	(D)	Price
Common Stock (Restricted Stock Units)	02/09/2010		A		2,929	A	\$ 0
Common Stock					8,942	D	
Common Stock					1,576	D	
Common Stock					7,103	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. Amount or Number of Shares
Incentive Stock Option (Right to Buy) (Common Stock)	\$ 9.39	02/09/2010		A	5,952	(1) 02/09/2020	Common Stock	5,952
Incentive Stock Option (Right to Buy)	\$ 11.6					(1) 08/10/2019	Common Stock	4,393
Incentive Stock Option (right to buy)	\$ 7.55					(1) 02/10/2019	Common Stock	5,978
Incentive Stock Option (right to buy)	\$ 11.15					(1) 02/19/2018	Common Stock	5,278
Incentive Stock Option (right to buy)	\$ 16.69					(1) 08/19/2018	Common Stock	2,926
Incentive Stock	\$ 17.11					(1) 02/13/2017	Common Stock	2,639

Option  
(right to  
buy)

Incentive  
Stock

Option \$ 20.27  
(right to  
buy)

(1)

08/13/2017

Common  
Stock

2,178

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Jafroodi Scot R 965 KAYE GIBBSONS COURT KERNERSVILLE, NC 27284			Chief Accounting Officer	

## Signatures

James F. Petelle for Scot R.  
Jafroodi

02/10/2010

  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.

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