

SECURITIES AND EXCHANGE COMMISSION

FORM 4

Statement of changes in beneficial ownership of securities

Filing Date: **2005-05-02** | Period of Report: **2005-05-02**

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([HTML Version](#) on secdatabase.com)

ISSUER

KEYNOTE SYSTEMS INC

CIK: **1032761** | IRS No.: **943226488** | State of Incorporation: **DE** | Fiscal Year End: **0930**
SIC: **7389** Business services, nec

Mailing Address

*777 MARINERS ISLAND BLVD.
SAN MATEO CA 94404*

Business Address

*777 MARINERS ISLAND BLVD.
SAN MATEO CA 94404
650-403-2400*

REPORTING OWNER

WALDSTEIN ARNOLD

CIK: **1187986**
Type: **4** | Act: **34** | File No.: **000-27241** | Film No.: **05790348**

Business Address

*C/O KEYNOTE SYSTEMS
777 MARINERS ISLAND BLVD
SAN MATEO CA 94404
6504033298*

FORM 4

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

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

1. Name and Address of Reporting Person WALDSTEIN ARNOLD			2. Issuer Name and Ticker or Trading Symbol KEYNOTE SYSTEMS INC [KEYN]			5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below) VP of Marketing & Business Dev		
(Last)	(First)	(Middle)	3. Date of Earliest Transaction (Month/Day/Year) 05/02/2005			6. Individual or Joint/Group Filing (Check applicable line) <input checked="" type="checkbox"/> Form Filed by One Reporting Person <input type="checkbox"/> Form Filed by More than One Reporting Person		
C/O KEYNOTE SYSTEMS, INC., 777 MARINERS ISLAND BLVD.			4. If Amendment, Date Original Filed(Month/Day/Year)					
(Street) SAN MATEO, CA 94404								
(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	(A) or (D)	Price			
Common Stock	05/02/2005	05/02/2005	S		500	D	\$10.82	2,582	D	

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 Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date						Title
Employee Stock Option (Right to Purchase)	\$9.4	09/17/2004		M		1,000		04/15/2003	04/15/2012	Common Stock	1,000	\$ 0	101,528	D	
Employee Stock Option (Right to Purchase)	\$9.4	09/20/2004		M		1,000		04/15/2003	04/15/2012	Common Stock	1,000	\$ 0	0	D	

Employee Stock Option (Right to Purchase)	\$9.4	09/21/2004		<u>M</u>		1,000	04/15/2003	04/15/2012	Common Stock	1,000	\$ 0	0	D
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Signatures

Arnold Waldstein

** Signature of Reporting Person

05/02/2005

Date

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

* 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).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.