**GRACO INC** Form 4 January 03, 2008

# FORM 4

#### UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

Check this box if no longer subject to Section 16.

Form 4 or

Form 5

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES** 

obligations may continue. See Instruction 1(b).

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)

(Last)

(City)

1. Name and Address of Reporting Person \* **EUGSTER JACK W** 

(First)

(Street)

(State)

(Middle)

(Zip)

2. Issuer Name and Ticker or Trading Symbol

5. Relationship of Reporting Person(s) to

**OMB** 

Number:

Expires:

response...

Estimated average

burden hours per

**OMB APPROVAL** 

3235-0287

January 31,

2005

0.5

Issuer

**GRACO INC [GGG]** 

(Check all applicable)

88 11TH AVENUE NE

3. Date of Earliest Transaction

(Month/Day/Year)

X\_ Director 10% Owner Officer (give title Other (specify below)

01/01/2008

4. If Amendment, Date Original

Applicable Line)

Filed(Month/Day/Year)

\_X\_ Form filed by One Reporting Person Form filed by More than One Reporting

6. Individual or Joint/Group Filing(Check

Person

MINNEAPOLIS, MN 55413

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned 1.Title of 2. Transaction Date 2A. Deemed 4. Securities 5. Amount of 6. Ownership 7. Nature of Security (Month/Day/Year) Execution Date, if TransactionAcquired (A) or Securities Form: Direct Indirect (Instr. 3) Code Disposed of (D) Beneficially (D) or Indirect Beneficial (Month/Day/Year) (Instr. 8) (Instr. 3, 4 and 5) Owned Ownership Following (Instr. 4) (Instr. 4) Reported (A) Transaction(s)

or (Instr. 3 and 4) Code V Amount (D) Price

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

Persons who respond to the collection of SEC 1474 information contained in this form are not (9-02)required to respond unless the form displays a currently valid OMB control number.

#### Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of	2.	3. Transaction Date	3A. Deemed	4.	5. Number of	6. Date Exercisable and	7. Title and Amount of	8. Pr
Derivative	Conversion	(Month/Day/Year)	Execution Date, if	TransactionDerivative		Expiration Date	Underlying Securities	Deri
Security	or Exercise		any	Code	Securities	(Month/Day/Year)	(Instr. 3 and 4)	Secu
(Instr. 3)	Price of		(Month/Day/Year)	(Instr. 8)	Acquired (A)			(Inst

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Derivative or Disposed of Security (D)

(Instr. 3, 4, and 5)

Code V (A) (D) Date Expiration Title

01/03/2008

Exercisable Date

> Number of Shares

Amount

Phantom

Units

Stock  $\$ 0 \frac{(1)}{1}$ 01/01/2008

301.93 Α

Common (1) (1) Stock

301.93

# **Reporting Owners**

Relationships Reporting Owner Name / Address

> Director 10% Owner Officer Other

EUGSTER JACK W 88 11TH AVENUE NE X MINNEAPOLIS, MN 55413

# **Signatures**

By: Kristen C. Nelson, by power of attorney For: Jack W. Eugster

> \*\*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).
- The phantom stock units were accrued under the Amended and Restated Graco Inc. Stock Incentive Plan (2006) and are to be settled 100% in Graco common stock in a lump sum or installments upon reporting person's termination of service on the Board.
- (2) The number of Phantom Stock Units includes Phantom Stock Units acquired in unreported dividend reinvestment transactions.

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.

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