#### MORFITT MARTHA A M

Form 4 July 08, 2010

# FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

**SECURITIES** 

Check this box if no longer

subject to Section 16. Form 4 or

Form 5 obligations may continue.

See Instruction

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

**OMB APPROVAL** 

**OMB** Number:

3235-0287

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January 31, 2005

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(Print or Type Responses)

1(b).

(Last)

(City)

1. Name and Address of Reporting Person \* MORFITT MARTHA A M

(First)

(Middle)

2. Issuer Name and Ticker or Trading Symbol

GRACO INC [GGG]

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

04/23/2010

(Street) 4. If Amendment, Date Original

Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to

Issuer

(Check all applicable)

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

6. Individual or Joint/Group Filing(Check

Applicable Line) \_X\_ Form filed by One Reporting Person Form filed by More than One Reporting

6. Ownership

Form: Direct

(Instr. 4)

(D) or Indirect Beneficial

Person

5. Amount of

Securities

Owned

Beneficially

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

MINNEAPOLIS, MN 55413

88 11TH AVENUE NE

(State) 1.Title of 2. Transaction Date 2A. Deemed

Security (Instr. 3)

(Zip)

(Month/Day/Year) Execution Date, if (Month/Day/Year)

4. Securities TransactionAcquired (A) or Code Disposed of (D) (Instr. 8)

(Instr. 3, 4 and 5) (A)

or

Following Reported Transaction(s) (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 information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474 (9-02)

7. Nature of

Ownership

(Instr. 4)

Indirect

#### 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)

Conversion or Exercise Price of

3. Transaction Date 3A. Deemed (Month/Day/Year)

Execution Date, if (Month/Day/Year)

5. Number 4 Transaction of Derivative Code Securities (Instr. 8) Acquired

6. Date Exercisable and **Expiration Date** (Month/Day/Year)

7. Title and Amount Underlying Securitie (Instr. 3 and 4)

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	Security					Disposed (D) (Instr. 3, and 5)					
			(	Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amour or Number of Shares
Non-Qualified Stock Option	\$ 35.16 (1)	04/23/2010(2)		A		8,600		<u>(1)</u>	04/23/2020	Common Stock	8,60

(A) or

# **Reporting Owners**

Derivative

Reporting Owner Name / Address	Relationships							
1 8	Director	10% Owner	Officer	Other				
MORFITT MARTHA A M								
88 11TH AVENUE NE	X							
MINNEAPOLIS, MN 55413								

### **Signatures**

(right to buy)

By: Kristen C. Nelson, Attorney-in-Fact For: Martha A.M.
Morfitt
07/08/2010

\*\*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) Nonemployee director stock option granted pursuant to the Graco Inc. 2010 Stock Incentive Plan in a transaction exempt under Rule 16b-3. The stock option becomes exercisable in four equal annual installments, commencing one year after the date of the grant.
- (2) Stock options granted to nonemployee directors at the annual meeting held on April 23, 2010. Not filed previously due to an administrative oversight by the company.

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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