#### MORFITT MARTHA A M

Form 4 April 25, 2011

## FORM 4

# UNITED STATES SECURITIES AND EXCHANGE COMMISSION

**OMB APPROVAL OMB** 

Washington, D.C. 20549

3235-0287 Number: January 31,

2005

if no longer subject to Section 16. Form 4 or

Check this box

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

Estimated average burden hours per response... 0.5

Expires:

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

1(b).

(Print or Type Responses)

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

2. Issuer Name and Ticker or Trading

5. Relationship of Reporting Person(s) to Issuer

Symbol

GRACO INC [GGG]

(Check all applicable)

(First) (Middle) (Last)

(Street)

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

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

88 11TH AVENUE NE

below) 6. Individual or Joint/Group Filing(Check

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

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

04/21/2011

Person

MINNEAPOLIS, MN 55413

Security

(Instr. 3)

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

4. Securities (Month/Day/Year) Execution Date, if TransactionAcquired (A) or Code Disposed of (D) (Month/Day/Year) (Instr. 8) (Instr. 3, 4 and 5)

5. Amount of Securities Beneficially Owned Following (Instr. 4)

6. Ownership 7. Nature of Form: Direct Indirect (D) or Indirect Beneficial Ownership (Instr. 4)

Reported (A) or

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 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)

Title of     Derivative	2. Conversion	3. Transaction Date (Month/Day/Year)		• •		6. Date Exercisable and Expiration Date	7. Title and Amount Underlying Securitie
Security	or Exercise	(111011111112111)	any	Code	Securities	(Month/Day/Year)	(Instr. 3 and 4)
(Instr. 3)	Price of		(Month/Day/Year)	(Instr. 8)	Acquired		

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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	\$ 45.08 (1)	04/21/2011	A		7,100		<u>(1)</u>	04/21/2021	Common Stock	7,10

(A) or

## **Reporting Owners**

Derivative

Reporting Owner Name / Address

Director 10% Owner Officer Other

MORFITT MARTHA A M
88 11TH AVENUE NE X
MINNEAPOLIS, MN 55413

### **Signatures**

(right to buy)

By: Carrie D. Russell, Attorney-in-Fact For: Martha A. M.
Morfitt

04/25/2011

\*\*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.

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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