

GRACO INC
Form 4
July 31, 2014

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
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

OMB APPROVAL

OMB
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(Print or Type Responses)

1. Name and Address of Reporting Person *
Eberlein Mark D

(Last) (First) (Middle)

88 11TH AVENUE NE

(Street)

MINNEAPOLIS, MN 55413

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading
Symbol

GRACO INC [GGG]

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

07/30/2014

4. If Amendment, Date Original
Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

____ Director ____ 10% Owner
____X____ Officer (give title ____ Other (specify
below) below)

Vice President

6. Individual or Joint/Group Filing(Check
Applicable Line)
____X____ 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)
Common Stock	07/30/2014		M	2,500	A \$ 35.9	4,654	D
Common Stock	07/30/2014		S	2,500	D \$ (1) 76.6213	2,154	D
Common Stock	07/30/2014		M	4,600	A \$ 20.8	6,754	D
Common Stock	07/30/2014		S	4,600	D \$ (2) 76.6187	2,154	D
	07/30/2014		M	2,000	A \$ 41.36	4,154	D

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Common
Stock

Common Stock	07/30/2014	S	2,000	D	\$ 76.6058 (3)	2,154	D
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Common Stock	07/30/2014	M	2,000	A	\$ 40.68	4,154	D
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Common Stock	07/30/2014	S	2,000	D	\$ 76.6068 (4)	2,154 (5)	D
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Common Stock						205.2029	I	By ESOP
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Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474
(9-02)

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)			
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Non-qualified Stock Option (Right to Buy)	\$ 35.9	07/30/2014		M		2,500		<u>(6)</u>	02/15/2018	Common Stock	2,500
Non-qualified Stock Option (Right to Buy)	\$ 20.8	07/30/2014		M		4,600		<u>(6)</u>	02/13/2019	Common Stock	4,600
Non-qualified Stock Option (Right to Buy)	\$ 41.36	07/30/2014		M		2,000		<u>(6)</u>	02/16/2017	Common Stock	2,000
Non-qualified Stock Option (Right to Buy)	\$ 40.68	07/30/2014		M		2,000		<u>(7)</u>	02/17/2016	Common Stock	2,000

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
Eberlein Mark D 88 11TH AVENUE NE MINNEAPOLIS, MN 55413	Vice President

Signatures

/s/ Carrie Daniel Russell, Attorney-in-Fact for Mark D.
Eberlein

07/30/2014

__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) The price reported in Column 4 is a weighted average price. The shares were sold at prices ranging from \$76.25 to \$77.04, inclusive. The reporting person undertakes to provide Graco Inc., any security holder of Graco Inc., or the staff of the Securities and Exchange Commission, upon request, with full information regarding the number of shares sold at each separate price within the range set forth in the footnote.

(2) The price reported in Column 4 is a weighted average price. The shares were sold at prices ranging from \$76.2501 to \$77.05, inclusive. The reporting person undertakes to provide Graco Inc., any security holder of Graco Inc., or the staff of the Securities and Exchange Commission, upon request, with full information regarding the number of shares sold at each separate price within the range set forth in the footnote.

(3) The price reported in Column 4 is a weighted average price. The shares were sold at prices ranging from \$76.25 to \$77.01, inclusive. The reporting person undertakes to provide Graco Inc., any security holder of Graco Inc., or the staff of the Securities and Exchange Commission, upon request, with full information regarding the number of shares sold at each separate price within the range set forth in the footnote.

(4) The price reported in Column 4 is a weighted average price. The shares were sold at prices ranging from \$76.25 to \$77.01, inclusive. The reporting person undertakes to provide Graco Inc., any security holder of Graco Inc., or the staff of the Securities and Exchange Commission, upon request, with full information regarding the number of shares sold at each separate price within the range set forth in the footnote.

(5) Included in the amount reported are shares acquired under Graco Inc. 2006 Employee Stock Purchase Plan, exempt under Rule 16b-3.

(6) Employee stock option granted pursuant to the Amended and Restated Stock Incentive Plan (2006) in transaction exempt under Section 16b-3. The stock option becomes exercisable in four equal annual installments, commencing one year after the date of the grant.

(7) Employee stock option granted pursuant to the Graco Inc. 1999 Employee 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.

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