GRACO INC Form 4 April 05, 2005

FORM 4

OMB APPROVAL

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

OMB 3235-0287 Number:

Check this box if no longer subject to Section 16.

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

January 31, Expires: 2005 Estimated average

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

SECURITIES

burden hours per response... 0.5

Other (specify

1(b).

(Last)

Security

(Instr. 3)

(Print or Type Responses)

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

(First)

(Street)

(Middle)

2. Issuer Name and Ticker or Trading Symbol

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

GRACO INC [GGG]

3. Date of Earliest Transaction

X_ Director 10% Owner

Officer (give title

88 11TH AVENUE NE

04/01/2005

(Month/Day/Year)

6. Individual or Joint/Group Filing(Check

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

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

below)

MINNEAPOLIS, MN 55413

(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 6. Ownership 7. Nature of Securities Form: Direct Indirect Beneficially (D) or Indirect Beneficial 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 3. Transaction Date 3A. Deemed 5. Number of 6. Date Exercisable and 4. Derivative Conversion (Month/Day/Year) Execution Date, if TransactionDerivative **Expiration Date** Security or Exercise Code Securities (Month/Day/Year) (Instr. 3) Price of (Month/Day/Year) (Instr. 8) Acquired (A)

8. Pı

Deri

Secu

(Inst

7. Title and Amount of

Underlying Securities

(Instr. 3 and 4)

Edgar Filing: GRACO INC - Form 4

	Security Security		or Disposed of (D) (Instr. 3, 4, and 5)						
			Code	V (A)	(D) Date Exercisa	Expiration ble Date	Title	Amount or Number of Shares	
Phantom Stock Units	\$ 0 (1)	02/02/2005	J	2.921	<u>(1)</u>	(1)	Common Stock	2.921	\$ 3
Phantom Stock Units	\$ 0 (2)	04/01/2005	A	200.08	(2)	(2)	Common Stock	200.08	\$ 4

Reporting Owners

Reporting Owner Name / Address	Relationships					
Fg	Director	10% Owner	Officer	Other		
EUGSTER JACK W						
88 11TH AVENUE NE	X					
MINNEAPOLIS, MN 55413						

Signatures

By: Kristen C. Nelson For: Jack W.

Eugster 04/04/2005

**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) Dividends on the accrued phantom stock units were credited under the Graco Inc. Stock Incentive Plan 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 phantom stock units were accrued under the Graco Inc. Stock Incentive Plan 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.

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. Ont>This award vests 33 1/3% on each of October 8, 2015, 2016 and 2017.(4)Reflects the action of the Board of Directors of the Company on December 26, 2014 to void and rescind 1,217,560 performance-based restricted stock units and the corresponding number of underlying shares of common stock subject to the award.

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.

Reporting Owners 2