Edgar Filing: GRACO INC - Form 4

Form 4										
October 04, 200										
FORM 4	UNITED	STATES		RITIES A			COMMISSIO		APPROVAL 3235-0	
Check this box if no longer subject to STATEMENT OF CHANG						Expires:	average urs per	31, 005 0.5		
	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									
(Print or Type Resp	onses)									
			2. Issuer Name and Ticker or Trading Symbol GRACO INC [GGG]				5. Relationship of Reporting Person(s) to Issuer			
(Last)	(First) (Middle) 3. Date of Earliest Transaction				(Ch	(Check all applicable)			
			(Month/Day/Year) 08/03/2005			X_ Director 10% Owner Officer (give title Other (specify below) below)				
				4. If Amendment, Date Original Filed(Month/Day/Year)			 6. Individual or Joint/Group Filing(Check Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting 			
MINNEAPOLI	S, MN 55413						Person	More than One F	teporting	
(City)	(State)	(Zip)	Tab	le I - Non-l	Derivati	ve Securities A	Acquired, Disposed	of, or Beneficia	ally Owned	
	ransaction Date nth/Day/Year)		Date, if	3. Transactio Code (Instr. 8) Code V	Dispose (Instr. 3	(A) or ed of (D) (A) or	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 o Indirect Beneficial Ownership (Instr. 4)	
Reminder: Report o	on a separate line	for each cl	ass of sect	urities bene	Pers info requ disp	sons who res rmation cont uired to resp	or indirectly. spond to the colle tained in this form ond unless the fo ntly valid OMB co	n are not rm	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	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	Transactio	orDerivative	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

	Derivative Security				or Dispose (D) (Instr. 3, 4 and 5)						
			Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Phantom Stock Units	\$ 0 <u>(1)</u>	08/03/2005	J		23.043		(1)	<u>(1)</u>	Common Stock	23.043	37.
Phantom Stock Units	\$ 0 <u>(2)</u>	10/01/2005	А		358.81		(2)	(2)	Common Stock	358.81	\$ 3

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Reporting Owners

Reporting Owner Name / Address	Relationships						
F8	Director	10% Owner	Officer	Othe			
GILLIGAN J KEVIN 88 11TH AVENUE NE MINNEAPOLIS, MN 55413	Х						
Signatures							
By: Kristen C. Nelson For: J. F Gilligan	10)/04/200:	5				
**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.