

GRACO INC
Form 3
October 04, 2007

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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INITIAL STATEMENT OF 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

(Print or Type Responses)

1. Name and Address of Reporting Person *		2. Date of Event Requiring Statement	3. Issuer Name and Ticker or Trading Symbol	
Â Chambers Caroline M		(Month/Day/Year)	GRACO INC [GGG]	
(Last)	(First)	(Middle)	09/28/2007	
88 11TH AVENUE NE			4. Relationship of Reporting Person(s) to Issuer	5. If Amendment, Date Original Filed(Month/Day/Year)
(Street)			(Check all applicable)	
MINNEAPOLIS,Â MNÂ 55413			<input type="checkbox"/> Director <input type="checkbox"/> 10% Owner	6. Individual or Joint/Group Filing(Check Applicable Line)
(City)	(State)	(Zip)	<input checked="" type="checkbox"/> Officer <input type="checkbox"/> Other	<input checked="" type="checkbox"/> Form filed by One Reporting Person
			(give title below) (specify below)	<input type="checkbox"/> Form filed by More than One Reporting Person
			Vice President and Controller	

Table I - Non-Derivative Securities Beneficially Owned

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Common Stock	1,449.098	D	Â

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly. SEC 1473 (7-02)

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Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)	3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)	4. Conversion or Exercise Price of Derivative Security	5. Ownership Form of Derivative Security: Direct (D) or Indirect	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date	Title	Amount or Number of	

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				Shares		(I) (Instr. 5)	
Non-Qualified Stock Option (right to buy)	Â (1)	02/18/2008	Common Stock	375	\$ 8.76 (1)	D	Â
Non-Qualified Stock Option (right to buy)	Â (2)	04/12/2011	Common Stock	675	\$ 12.4 (2)	D	Â
Non-Qualified Stock Option (right to buy)	Â (3)	02/22/2012	Common Stock	5,625	\$ 18.39 (3)	D	Â
Non-Qualified Stock Option (right to buy)	Â (3)	02/19/2014	Common Stock	7,500	\$ 27.91 (3)	D	Â
Non-Qualified Stock Option (right to buy)	Â (2)	09/23/2014	Common Stock	300	\$ 32.95 (2)	D	Â
Non-Qualified Stock Option (right to buy)	Â (4)	02/17/2016	Common Stock	6,000	\$ 40.68 (4)	D	Â
Non-Qualified Stock Option (right to buy)	Â (5)	02/16/2017	Common Stock	8,000	\$ 41.36 (5)	D	Â

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Chambers Caroline M 88 11TH AVENUE NE MINNEAPOLIS, MN 55413	Â	Â	Â Vice President and Controller	Â

Signatures

By: Kristen C. Nelson, by power of attorney For: Caroline M. Chambers
10/04/2007

**Signature of Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 5(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) Employee stock option granted pursuant to the Graco Inc. Long-Term Stock Incentive Plan in a transaction exempt under Rule 16b-3. The stock option becomes exercisable in four equal annual installments, commencing two years after the date of the grant.
- (2) Employee stock option granted pursuant to the Graco Inc. 1999 Employee Stock Incentive Plan. The stock option becomes exercisable three years after the date of the grant.
- (3) Employee stock option granted pursuant to the Graco Inc. Stock Incentive Plan in 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.
- (4) Employee stock option granted pursuant to the Graco Inc. 1999 Employee Stock Incentive Plan. The stock option becomes exercisable in four equal annual installments, commencing one year after the date of the grant.
- (5) Employee stock option granted pursuant to the Amended and Restated Graco Inc. Stock Incentive Plan (2006) in 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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