

MCHALE PATRICK J
Form 4
April 30, 2019

FORM 4

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

OMB APPROVAL

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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

(Print or Type Responses)

1. Name and Address of Reporting Person *
MCHALE PATRICK J

(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)
04/29/2019

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)
President and CEO

6. Individual or Joint/Group Filing(Check Applicable Line)
 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)
			Code	V	Amount or Price		
Common Stock	04/29/2019		M		40,803 A \$ 24.7934	238,391.6617	D
Common Stock	04/29/2019		M		50,290 A \$ 23.8467	288,681.6617	D
Common Stock	04/29/2019		M		91,517 A \$ 30.3467	380,198.6617	D
Common Stock	04/29/2019		S		182,610 D \$ 51.1743 (1)	197,588.6617 (2)	D
Common Stock						2,267.8863 (2)	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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(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 Security (Instr. 3 and 4)	Amount or Number of Shares
Non-qualified Stock Option (Right to Buy)	\$ 24.7934	04/29/2019		M	40,803	<u>(3)</u> 02/13/2025	Common Stock	40,803
Non-qualified Stock Option (Right to Buy)	\$ 23.8467	04/29/2019		M	50,290	<u>(4)</u> 02/12/2026	Common Stock	50,290
Non-qualified Stock Option (Right to Buy)	\$ 30.3467	04/29/2019		M	91,517	<u>(4)</u> 02/17/2027	Common Stock	91,517

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MCHALE PATRICK J 88 11TH AVENUE NE MINNEAPOLIS, MN 55413	X		President and CEO	

Signatures

/s/ Francis J. Brixius Jr., attorney-in-fact for Mr. McHale 04/30/2019

__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)

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The price reported in Column 4 is a weighted average price. The shares were sold at prices ranging from \$51.00 to \$51.59, inclusive. The reporting person undertakes to provide to 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 with the range set forth in the footnote.

- (2) Since the date of Mr. McHale's last ownership report, he transferred 196,913 shares of Graco common stock and 3,547,468 shares of Graco ESOP shares to his ex-wife pursuant to a domestic relations order. Mr. McHale no longer beneficially owns any securities owned by his ex-wife
- (3) Employee stock option granted pursuant to the Graco Inc. 2010 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. 2015 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.

Remarks:

The reported stock option exercises and sales of common stock were completed in connection with Mr. McHale's marital dissolution.

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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