

SECURITIES AND EXCHANGE COMMISSION

FORM 13F-HR

Initial quarterly Form 13F holdings report filed by institutional managers

Filing Date: **2013-01-11** | Period of Report: **2012-12-31**  
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FILER

**GRASSI INVESTMENT MANAGEMENT LLC**

CIK: [1135126](#) | IRS No.: [943350355](#) | State of Incorporation: **CA** | Fiscal Year End: **1231**  
Type: **13F-HR** | Act: **34** | File No.: [028-06441](#) | Film No.: [13525781](#)

Mailing Address

*1804 NORTH SHORELINE  
BLVD., SUITE 140  
MOUNTAIN VIEW CA 94043*

Business Address

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

Form 13F-HR

Form 13F COVER PAGE

Report for the Calendar Year of Quarter Ended: December 31, 2012  
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Check here if Amendment [     ]; Amendment Number:

This Amendment (Check only one.): [     ] is a restatement.  
[     ] adds new holdings entries.

Institutional Investment Manager Filing this Report:

Name: Grassi Investment Management, LLC  
Address: 1804 North Shoreline Blvd., Ste. 140  
Mountain View, CA 94043

Form 13F File Number: 028-06441

The institutional investment manager filing this report and the person by whom it is signed hereby represent that the person signing the report is authorized to submit it, that all information contained herein is true, correct and complete, and that it is understood that all required items, statements, schedules, lists, and tables, are considered integral parts of this form.

Person Signing this Report on Behalf of Reporting Manager:

Name: Peter T. Grassi  
Title: Managing Member  
Phone: (650) 934-0770

Signature, Place, and Date of Signing:

/s/ Peter T. Grassi Mountain View, CA April 13, 2011  
-----

[Signature] [City, State] [Date]

Report Type (Check only one.):

- 13F HOLDINGS REPORT. (Check here if all holdings of this reporting manager are reported in this report.)
- 13F NOTICE. (Check here if no holdings reported are in this report, and all holdings are reported by other reporting manager(s).)
- 13F COMBINATION REPORT. (Check here if a portion of the holdings for this reporting manager are reported in this report and a portion are reported by other reporting manager(s).)

Report Summary:

Number of Other Included Managers: 0  
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Form 13F Information Table Entry Total: 147  
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Form 13F Information Table Value Total: \$317667  
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(thousands)

List of Other Included Managers:

{None}

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## FORM 13F INFORMATION TABLE

## Voting Authority

NAME OF ISSUER	TITLE OF CLASS	CUSIP	VALUE	SHARES/	Sh/	Put/Investm	Other	Sole	Shared	None
			(X\$1000PRN	AMT	Prn	Call	Dscret			
<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
GENERAL MTRS PFD		37045v209	6018	136379SH		Sole				136229
3M COMPANY	COM	88579Y101	3934	42370SH		Sole				42370
ABBOTT LABS COM	COM	002824100	3347	51100SH		Sole				51100
ABBVIE INC.	COM	00287Y109	1795	51100SH		Sole				51100
ALCOA INC	COM	013817101	178	20516SH		Sole				20516
ALTRIA GROUP INC	COM	02209S103	4050	128830SH		Sole				128830
AMER INT'L GROUP	COM	026874784	3597	101900SH		Sole				101900
AMERICAN CAMPUS	COM	024835100	881	19100SH		Sole				19100
AMERICAN EXPRESS	COM	025816109	1451	25235SH		Sole				25235
APACHE CORP	COM	037411105	956	12175SH		Sole				12175
APOLLO INVESTMENT	COM	03761U106	84	10000SH		Sole				10000
APPLE COMPUTER	COM	037833100	612	1150SH		Sole				1150
APPLIED MATERIALS	COM	038222105	1830	160000SH		Sole				160000
AT&T	COM	00206r102	4248	126007SH		Sole				125857
ATLAS PIPELINE PTNRS	COM	049392103	556	17617SH		Sole				17467
AUTOMATIC DATA	COM	053015103	410	7200SH		Sole				7200
AVALONBAY	COM	053484101	581	4285SH		Sole				4285
BANK OF AMERICA	COM	060505104	4677	402850SH		Sole			600	402250
BLACKSTONE GROUP LP	COM	09253u108	3022	193815SH		Sole				193815
BOARDWALK PIPELINE	COM	096627104	233	9350SH		Sole				9350
BRISTOL-MYERS	COM	110122108	3593	110251SH		Sole				110051
BUNGE LIMITED	COM	013317810	745	10250SH		Sole				10250
CAMDEN PROPERTY TR	COM	133131102	600	8800SH		Sole				8800
CATERPILLAR	COM	149123101	731	8160SH		Sole				8160
CBL & ASSOCIATES	COM	124830100	652	30754SH		Sole				30554
CHEVRON CORP	COM	166764100	4358	40303SH		Sole				40303
CITIGROUP INC	COM	172967101	3066	77500SH		Sole				77500
CLOROX COMPANY	COM	189054109	439	6000SH		Sole				6000
COMM BK BAY OAKLAND CA	COM	203485107	87	30000SH		Sole				30000
CONAGRA	COM	205887102	3064	103865SH		Sole				103865
CONOCOPHILLIPS	COM	20825c104	3513	60579SH		Sole				60579
CONSOLIDATED EDISON	COM	209115104	1866	33600SH		Sole				33600
COPANO ENERGY	COM	217202100	628	19850SH		Sole				19700
CSX CORP	COM	126408103	373	18921SH		Sole				18921
DEERE & CO	COM	244199105	1841	21300SH		Sole				21300
DENBURY RESOURCES	COM	247916208	1284	79250SH		Sole				79250
DEUTSCHE TELEKOM	COM	251566105	383	33750SH		Sole				33350
DEVON ENERGY	COM	25179m103	604	11600SH		Sole				11600
DIGITAL REALTY TR	COM	253868103	452	6660SH		Sole				6660
DOMINION RESOURCES	COM	25746U109	3578	69075SH		Sole				68975
DOW CHEMICAL	COM	260543103	2962	91617SH		Sole				91517
DU PONT EI DE NMRS	COM	263534109	4151	92293SH		Sole				92193
DUKE REALTY CORP	COM	264411505	325	23400SH		Sole				23400
DUNKIN' BRANDS	COM	265504100	597	18000SH		Sole			100	17900
EMC CORPORATION	COM	268648102	1074	42450SH		Sole				42250
EMERSON ELECTRIC	COM	291011104	2193	41400SH		Sole				41400
ENBRIDGE ENERGY	COM	29250R106	672	24100SH		Sole				23900
ENERGY TRANSFER	COM	29273R109	2474	57639SH		Sole				57489
ENERGY TRANSFER EQU	COM	29273v100	2049	45050SH		Sole				45050
ENTERPRISE PRODS	COM	293792107	5463	109083SH		Sole				108983
EXPRESS SCRIPTS INC	COM	302182100	1372	25400SH		Sole			100	25300
EXXON MOBIL CORP	COM	30231G102	3975	45925SH		Sole			75	45850
FIRST REPUBLIC BANK	COM	33616C100	2196	67000SH		Sole				67000
FLOWERS FOODS	COM	343498101	698	30000SH		Sole				30000
FORD MOTOR CO	COM	349862300	4123	318413SH		Sole				318113
FRANKLIN RES	COM	354613101	453	3600SH		Sole				3600
FREEMONT MCMORAN	COM	35671d857	2521	73700SH		Sole				73700
GAP INC	COM	364760108	847	27300SH		Sole				27300
GENERAL ELECTRIC	COM	369604103	8284	394671SH		Sole				394371
GENERAL MILLS INC	COM	370334104	2780	68786SH		Sole				68636

GOOGLE INC	COM	38259p508	272	385SH	Sole		385
HALLIBURTON CO	COM	406216101	559	16102SH	Sole		16102
HCP, INC.	COM	40414L109	4648	102925SH	Sole		102825
HEALTH CARE REIT	COM	422171406	215	3500SH	Sole		3500
HESS CORPORATION	COM	42809H107	249	4700SH	Sole		4700
HEWLETT-PACKARD CO	COM	428236103	365	25600SH	Sole		25600
HOLLY ENERGY	COM	435763107	382	5800SH	Sole		5800
HOME DEPOT INC	COM	437076102	3847	62195SH	Sole		62195
HONEYWELL INT'L INC	COM	438516106	3122	49192SH	Sole		49192
IBM CORPORATION	COM	459200101	2189	11427SH	Sole		11427
INGREDION	COM	457187102	1018	15802SH	Sole		15802
INTEL CORPORATION	COM	458140100	1906	92450SH	Sole		92450
INTL PAPER	COM	460146103	3772	94691SH	Sole		94541
JOHNSON & JOHNSON	COM	478160104	4269	60904SH	Sole		60904
JP MORGAN CHASE	COM	46625H100	3559	80950SH	Sole	100	80700
KELLOGG CO	COM	487836108	2301	41200SH	Sole		41200
KIMCO REALTY CORP	COM	49446R109	1470	76100SH	Sole		75800
KINDER MORGAN INC.	COM	49456B101	609	17250SH	Sole		17250
KOHLBERG KRAVIS	COM	48248M102	3170	208132SH	Sole		208132
KRAFT FOOD GROUP	COM	50076Q106	4570	100515SH	Sole	100	100315
LAM RESEARCH CORP	COM	512807108	756	20925SH	Sole		20925
LEGACY RESERVES LP	COM	524707304	228	9600SH	Sole		9600
LILLY, ELI & CO	COM	532457108	2999	60805SH	Sole		60805
LINN ENERGY LLC	COM	536020100	3489	99003SH	Sole		98853
LOCKHEED MARTIN	COM	539830109	1984	21495SH	Sole		21495
MACERICH CO	COM	554382101	577	9896SH	Sole		9896
MACK-CALI REALTY	COM	554489104	747	28600SH	Sole		28600
MAGELLAN	COM	559080106	615	14250SH	Sole		14250
MARKWEST ENERGY	COM	570759100	2613	51226SH	Sole		51076
MERCK & CO INC	COM	589331107	3664	89500SH	Sole		89300
MICRON TECHNOLOGY	COM	595112103	386	60900SH	Sole		60900
MICROSOFT CORP	COM	594918104	2246	84105SH	Sole		83955
MONDELEZ INTL	COM	609207105	4720	185450SH	Sole	200	184950
MONSANTO	COM	61166w101	2044	21600SH	Sole		21600
MORGAN STANLEY	COM	617446448	508	26550SH	Sole		26550
MOSAIC CO	COM	61945a107	264	4655SH	Sole		4655
NAVIOS MARITIME	COM	Y62196103	80	23700SH	Sole		23700
NESTLE SA	COM	641069406	2376	36460SH	Sole		36460
NEWMONT MINING	COM	651639106	2104	45300SH	Sole		45300
NUCOR CORP	COM	670346105	2929	67856SH	Sole		67756
ONEOK PARTNERS LP	COM	68268n103	2305	42700SH	Sole		42600
ORACLE CORP	COM	68389X105	871	26150SH	Sole		26150
PEPSICO INC	COM	713448108	4852	70911SH	Sole		70811
PFIZER INC	COM	717081103	4697	187302SH	Sole		187002
PHILIP MORRIS INTL	COM	718172109	2612	31232SH	Sole		31232
PHILLIPS 66	COM	718546104	3907	73584SH	Sole	100	73484
PLAINS ALL AM	COM	726503105	1926	42567SH	Sole		42567
POTASH CORP	COM	73755L107	201	4950SH	Sole		4950
POWERSHARES QQQ	COM	73935A104	255	3909SH	Sole		3909
PROCTER & GAMBLE	COM	742718109	16424	241922SH	Sole		241822
PROLOGIS	COM	74340W103	9011	246950SH	Sole		246950
QUALCOMM INC	COM	747525103	714	11545SH	Sole		11545
REGENCY CENTERS	COM	758847103	302	6400SH	Sole		6400
REGENCY ENERGY	COM	75885y107	948	43716SH	Sole		43316
REYNOLDS AMERICAN	COM	761713106	3548	85638SH	Sole		85488
RIO TINTO	COM	767204100	2478	42650SH	Sole		42650
ROBERT HALF INTL	COM	770323103	2068	65000SH	Sole		65000
SANOFI-AVENTIS	COM	80105N105	4373	92300SH	Sole		92200
SBA COMMUNICATIONS	COM	78388J106	256	3600SH	Sole		3600
SCHLUMBERGER LTD	COM	806857108	2800	40400SH	Sole		40400
SEADRILL LTD	COM	G7945E105	3421	92950SH	Sole		92950
SENIOR HOUSING PROP	COM	81721M109	1380	58393SH	Sole		58093
SIMON PPTY GRP INC	COM	828806109	636	4020SH	Sole		4020
SOUTHERN CO	COM	842587107	2056	48025SH	Sole		48025
STAN BLK & DECKER	COM	854502101	237	3200SH	Sole		3200
SUPERIOR INDUSTRIES	COM	868168105	1079	52910SH	Sole	250	52360
TARGA RESOURCES	COM	87611x105	1941	51923SH	Sole		51923
TAUBMAN CENTERS	COM	876664103	236	3000SH	Sole		3000
TRANSCANADA CORP	COM	89353D107	473	10000SH	Sole		10000
UNILEVER NV	COM	904784709	1930	50400SH	Sole		50400
UNION PACIFIC	COM	907818108	3450	27445SH	Sole		27445
UNITED TECH	COM	913017109	3114	37976SH	Sole		37976
VALERO ENERGY CORP	COM	91913Y100	2148	62952SH	Sole	100	62852
VENTAS INC.	COM	92276F100	712	11000SH	Sole		11000

VERIZON COMM	COM	92343V104	4423	102208SH	Sole		102208
VISA INC CL A	COM	92826c839	2496	16466SH	Sole		16466
VODAFONE GROUP PLC	COM	92857w209	4389	174236SH	Sole		174086
VORNADO RLTY	COM	929042109	2198	27441SH	Sole		27441
WAL-MART STORES INC	COM	931142103	2410	35322SH	Sole		35322
WELLS FARGO & CO	COM	949746101	5982	175013SH	Sole	200	174813
WESTERN GAS	COM	958254104	2389	50150SH	Sole		50150
WEYERHAEUSER	COM	984332106	2897	104150SH	Sole		104150
ISHARES SILVER		43428Q109	327	11150SH	Sole		11150
NUVEEN CA QUALITY		670985100	243	14000SH	Sole		14000
PROSHRS ULTRSHRT		74347R313	552	20000SH	Sole		20000
SPDR DOW JONES IND		78467X109	406	3113SH	Sole		3113
SPDR GOLD SHARES		78463V107	243	1500SH	Sole		1500

</TABLE>