

SECURITIES AND EXCHANGE COMMISSION

FORM 3

Filing Date: **2013-01-09** | Period of Report: **2013-01-01**
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REPORTING OWNER

Eberlein Mark D

CIK: **1565723**

Type: **3** | Act: **34** | File No.: **001-09249** | Film No.: **13521024**

Mailing Address
88 - 11TH AVENUE N.E.
MINNEAPOLIS MN 55413

ISSUER

GRACO INC

CIK: **42888** | IRS No.: **410285640** | State of Incorporation: **MN** | Fiscal Year End: **1230**
SIC: **3561** Pumps & pumping equipment

Mailing Address
C/O CORPORATION
SERVICE COMPANY
380 JACKSON STREET,
SUITE 700
ST. PAUL MN 55101

Business Address
88 11TH AVENUE NE
MINNEAPOLIS MN
55413-1894
6126236000

FORM 3

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

OMB APPROVAL	
OMB Number:	3235-0104
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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

1. Name and Address of Reporting Person <u>Eberlein Mark D</u> _____ (Last) (First) (Middle) <u>88 11TH AVENUE NE</u> _____ (Street) <u>MINNEAPOLIS, MN 55413</u> _____ (City) (State) (Zip)	2. Date of Event Requiring Statement (Month/Day/Year) <u>01/01/2013</u>	3. Issuer Name and Ticker or Trading Symbol <u>GRACO INC [GGG]</u> 4. Relationship of Reporting Person(s) to Issuer (Check all applicable) _____ Director _____ 10% Owner <input checked="" type="checkbox"/> Officer (give title below) _____ Other (specify below) <u>Vice President</u> 5. If Amendment, Date Original Filed (Month/Day/Year) _____ 6. Individual or Joint/Group Filing (Check applicable line) <input checked="" type="checkbox"/> Form Filed by One Reporting Person _____ Form Filed by More than One Reporting Person
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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	1,239	D	
Common Stock	201.3449	I	by ESOP

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 (I) (Instr. 5)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date	Title	Amount or Number of Shares			
Non-Qualified Stock Option (right to buy)	(1)	02/13/2019	Common Stock	4,600	\$20.8	D	
Non-Qualified Stock Option (right to buy)	(1)	02/23/2020	Common Stock	2,500	\$26.59	D	
Non-Qualified Stock Option (right to buy)	(2)	02/19/2014	Common Stock	3,000	\$27.91	D	
Non-Qualified Stock Option (right to buy) (3)	09/23/2007	09/23/2014	Common Stock	300	\$32.95	D	
Non-Qualified Stock Option (right to buy)	(1)	02/15/2018	Common Stock	2,500	\$35.9	D	
Non-Qualified Stock Option (right to buy)	(4)	02/17/2016	Common Stock	4,000	\$40.68	D	

Non-Qualified Stock Option (right to buy)	(1)	02/16/2017	Common Stock	2,000	\$41.36	D	
Non-Qualified Stock Option (right to buy)	(5)	02/18/2021	Common Stock	1,690	\$42.73	D	
Non-Qualified Stock Option (right to buy)	(5)	02/17/2022	Common Stock	1,280	\$49.84	D	

Explanation of Responses:

1. Employee stock option granted pursuant to the Amended and Restated Stock Incentive Plan (2006) in transaction exempt under Section 16b-3. The stock option becomes exercisable in four equal annual installments, commencing one year after the date of the grant.
2. 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.
3. Employee stock option granted pursuant to the Employee Stock Incentive Plan in a transaction exempt under Rule 16b-3.
4. Employee stock option granted pursuant to the Graco Inc. 1999 Employee Stock Incentive Plan in a 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.
5. 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.

Signatures

By: Carrie Daniel Russell, Attorney-in-Fact For: Mark D. Eberlein

** Signature of Reporting Person

01/09/2013

Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* 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).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.

POWER OF ATTORNEY

Know all by these presents that the undersigned hereby constitutes and appoints each of Karen Park Gallivan, Timothy A. Stoffel, Janel W. French and Carrie Daniel Russell signing singly, the undersigned's true and lawful attorney-in-fact to:

(1) Execute for and on behalf of the undersigned, in the undersigned's capacity as an officer and/or director of Graco Inc. (the "Company"), any Form 144 in accordance with Rule 144 of the Securities Act of 1933 and Forms 3, 4 and 5 in accordance with Section 16(a) of the Securities Exchange Act of 1934, and the rules thereunder;

(2) Do and perform any and all acts for and on behalf of the undersigned which may be necessary or desirable to complete and execute any such Form 3, 4, 5 or 144 and timely file such form with the United States Securities and Exchange Commission and any stock exchange or similar authority; and

(3) Take any other action of any type whatsoever in connection with the foregoing which, in the opinion of such attorney-in-fact, may be of benefit to, in the best interest of, or legally required by, the undersigned, it being understood that the documents executed by such attorney-in-fact on behalf of the undersigned pursuant to this Power of Attorney shall be in such form and shall contain such terms and conditions as such attorney-in-fact may approve in such attorney-in-fact's discretion.

The undersigned hereby grants to each such attorney-in-fact full power and authority to do and perform any and every act and thing whatsoever requisite, necessary, or proper to be done in the exercise of any of the rights and powers herein granted, as fully to all intents and purposes as the undersigned might or could do if personally present, with full power of substitution or revocation, hereby ratifying and confirming all that such attorney-in-fact, or such attorney-in-fact's substitute or substitutes, shall lawfully do or cause to be done by virtue of this Power of Attorney and the rights and powers herein granted. The undersigned acknowledges that the foregoing attorneys-in-fact, in serving in such capacity at the request of the undersigned, are not assuming, nor is the Company assuming, any of the undersigned's responsibilities to comply with Section 16 of

the Securities Exchange Act of 1934 or Rule 144 of the Securities Act of 1933.

This Power of Attorney shall remain in full force and effect until the undersigned is no longer required to file Forms 3, 4, 5 and 144 with respect to the undersigned's holdings of and transactions in securities issued by the Company, unless earlier revoked by the undersigned in a signed writing delivered to the foregoing attorneys-in-fact.

IN WITNESS WHEREOF, the undersigned has caused this Power of Attorney to be executed as of this 12th day of December, 2012.

/s/ Mark D. Eberlein
Mark D. Eberlein