

GRACO INC
Form 8-K
October 08, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **October 6, 2014**

Graco Inc.

(Exact name of registrant as specified in charter)

| | | |
|---|--------------------------|--------------------------------------|
| <u>Minnesota</u> | <u>001-09249</u> | <u>41-0285640</u> |
| (State or other Jurisdiction of Incorporation) | (Commission File Number) | (IRS Employer Identification No.) |

88 1st Avenue Northeast

| | |
|--|--------------|
| <u>Minneapolis, Minnesota</u> | <u>55413</u> |
| (Address of principal executive offices) | (Zip Code) |

Registrant's telephone number, including area code: (612) 623-6000

Not Applicable

(Former name or former address if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

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- “ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- “ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01. Entry Into a Material Definitive Agreement;

Item 8.01. Other Events.

As Graco Inc. (the Registrant) previously reported, on May 31, 2012, the U.S. Federal Trade Commission (the Commission) voted to accept an Agreement Containing Consent Orders (Consent Agreement) with the Registrant, Illinois Tool Works Inc. (ITW) and ITW Finishing LLC (ITW Finishing). The Registrant, ITW and ITW Finishing entered into the Consent Agreement to resolve an Administrative Complaint issued by the Commission in December 2011 charging the Registrant, ITW and ITW Finishing with violations of Section 7 of the Clayton Act and Section 5 of the Federal Trade Commission Act. A copy of the Consent Agreement was filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K dated May 31, 2012 and is incorporated herein by reference. In the May 31, 2012 Form 8-K, the Registrant reported that the Consent Agreement contains a Proposed Decision and Order (Proposed Order) that would require the Registrant to sell the liquid finishing operations it acquired from ITW and ITW Finishing on April 2, 2012, including those involved in the development, manufacture and sale of Binks® spray finishing equipment, DeVilbiss® spray guns and accessories, Ransburg® electrostatic equipment and accessories and BGK curing technology, and that the Proposed Order would be subject to public comment for thirty (30) days, until July 2, 2012, after which the Commission would decide whether to make it final.

On October 6, 2014, the Commission announced that it has approved a Decision and Order, which will become final when served on the Registrant (the Final Order). The Registrant anticipates that it will be served with the Final Order shortly, likely within a week. The Final Order supersedes in all respects the Proposed Order reported in the Registrant's May 31, 2012 Form 8-K.

Pursuant to the Final Order, the Registrant will be required to, among other things, divest the Liquid Finishing Business Assets (as defined in the Final Order) no later than 180 days after being served with the Final Order. The Liquid Finishing Business Assets include certain assets relating to the liquid finishing business operations that the Registrant acquired from ITW and ITW Finishing on April 2, 2012, including those involved in the development, manufacture and sale of Binks® spray finishing equipment, DeVilbiss® spray guns and accessories, Ransburg® electrostatic equipment and accessories and BGK curing technology. Subject to limited exceptions contained in the Final Order, the Final Order does not require Graco to divest any assets relating to the powder finishing business operations that the Registrant acquired from ITW and ITW Finishing, including those involved in the development, manufacture and sale of Gema® powder finishing products and systems.

The divestiture of the Liquid Finishing Business Assets, including the definitive agreement(s) relating to the sale of the Liquid Finishing Business Assets and the acquirer(s) of those assets, is required to be approved by the Commission. The Registrant retained the services of an investment bank to help it market the Liquid Finishing Business Assets required to be divested.

This foregoing summary of the Final Order does not purport to be complete and is subject to and qualified in its entirety by reference to the Final Order attached hereto as Exhibit 10.1.

On October 6, 2014, the Registrant issued a press release, furnished with this Form 8-K as Exhibit 99.1, relating to the Final Order.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

10.1 Decision and Order by the U.S. Federal Trade Commission in the matter of Graco Inc., Illinois Tool Works Inc. and ITW Finishing LLC.

99.1 Press Release dated October 6, 2014.

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

GRACO INC.

Date: October 8, 2014

By: /s/ Karen Park Gallivan
Karen Park Gallivan
Its: Vice President, General Counsel and Secretary

EXHIBIT INDEX

| Exhibit | Description | Method of Filing |
|---------|--|-------------------------|
| 10.1 | Decision and Order by the U.S. Federal Trade Commission in the matter of Graco Inc., Illinois Tool Works Inc. and ITW Finishing LLC. | Filed Electronically |
| 99.1 | Press Release dated October 6, 2014. | Filed Electronically |