

GRAHAM CORP  
Form 4  
December 14, 2011

**FORM 4**

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

OMB APPROVAL

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**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 \*  
**LINES JAMES R**

(Last) (First) (Middle)

**C/O GRAHAM CORPORATION, 20 FLORENCE AVENUE**

(Street)

**BATAVIA, NY 14020**

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
**GRAHAM CORP [GHM]**

3. Date of Earliest Transaction (Month/Day/Year)  
**12/12/2011**

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	(A) or (D)	Price
Common Stock	12/12/2011		M		7,500	A	\$ 7.976
Common Stock	12/12/2011		M		3,750	A	\$ 6.84
Common Stock	12/12/2011		M		9,894	A	\$ 6.9
Common Stock	12/12/2011		M		3,948	A	\$ 15.22
Common Stock	12/12/2011		M		1,546	A	\$ 15.25
							41,426 <sup>(1)</sup> <sup>(2)</sup>
							55,070
							59,018
							60,564

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Common Stock	12/12/2011	S	638	D	\$ 22.92	59,926	D	
Common Stock	12/12/2011	S	2,700	D	\$ 22.89	57,226	D	
Common Stock	12/12/2011	S	4,300	D	\$ 22.88	52,926	D	
Common Stock	12/12/2011	S	2,300	D	\$ 22.87	50,626	D	
Common Stock	12/12/2011	S	6,500	D	\$ 22.86	44,126	D	
Common Stock	12/12/2011	S	10,200	D	\$ 22.85	33,926	D	
Common Stock						5,570	I	See footnote (3)

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

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**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 Securities (Instr. 3 and 4)	8. Amount or Number of Shares
Stock Option (Right to Buy)	\$ 7.976	12/12/2011		M	7,500	06/01/2010 06/01/2016	Common Stock	7,500 (4)
Stock Option (Right to Buy)	\$ 6.84	12/12/2011		M	3,750	07/27/2010 07/27/2016	Common Stock	3,750 (4)
	\$ 6.9	12/12/2011		M	9,894	05/31/2011 05/31/2017		



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- (7) This option was previously reported by Mr. Lines and is exercisable 33 1/3% per year over three years beginning on the first anniversary of the 5/20/10 grant date.

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