

Fortier Alan
Form 4
August 30, 2010

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 *
Fortier Alan

(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)
08/26/2010

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)

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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | | (A) or (D) | Price | | |
| | | | | Code | V | Amount | |
| Common Stock | 08/26/2010 | | P | A | \$ 14.035 | 4,982 | D |
| Common Stock | 08/26/2010 | | P | A | \$ 14.031 | 5,582 | D |
| Common Stock | 08/26/2010 | | P | A | \$ 14.028 | 6,882 | D |
| Common Stock | 08/26/2010 | | P | A | \$ 14.01 | 7,282 | D |

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 Securities (Instr. 3 and 4) | 8. P... Deri... Secu... (Inst... | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------------|----------------------------|
| | | | | | | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| | | | | | | (1) | (2)(3) | | |
| Stock Option (Right to Buy) | \$ 44.5 | | | | | (1) 07/31/2018 | Common Stock | 924 (1) | |
| Share Equivalent Unit | (2) (3) | | | | | (2)(3) (2)(3) | Common Stock | 4.01 | |
| Share Equivalent Unit | (2) (3) | | | | | (2)(3) (2)(3) | Common Stock | 667.11 | |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| Fortier Alan C/O GRAHAM CORPORATION 20 FLORENCE AVENUE BATAVIA, NY 14020 | X | | | |

Signatures

/s/ Jennifer R. Condame, Attorney-in-fact for Alan Fortier 08/30/2010

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) This option was previously reported by Mr. Fortier and is exercisable pro rata on the first, second, third and fourth anniversaries of the 7/31/08 grant date.

This share equivalent unit was granted under the Graham Corporation Outside Directors' Long Term Incentive Plan, as amended, and was previously reported by Mr. Fortier. Under the LTIP, SEUs are credited to each non-employee director's account for each of the first five fiscal years during such director's term in which Graham produces consolidated net income in an amount at least equal to the consolidated net income specified in the budget for each such fiscal year. Such determinations are made annually. Each SEU is valued at the market value of one share of common stock on the valuation date, which is the last day of trading of the first quarter following the end of a fiscal year for which SEUs are to be credited. The number of SEUs to be credited annually is determined by dividing the value of one SEU into \$10,000.

- (2) Outstanding SEUs accrue dividends quarterly in accordance with Graham's regular dividend policy and such dividends are reflected in each director's account after the end of each fiscal year. Upon termination of a non-employee director's service, but not before, the non-employee director may redeem each SEU for one share of common stock or, alternatively and subject to Graham's discretion, for the cash equivalent at the closing price of the stock on the NYSE Amex on the date of termination of service, subject to certain limitations.

(3) 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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