

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 or Section 30(h) of the Investment Company Act of 1940

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

(Print or Type Responses)

| | | | | | |
|---|---------|---|---|--|--|
| 1. Name and Address of Reporting Person * LINES JAMES R | | 2. Issuer Name and Ticker or Trading Symbol GRAHAM CORP [GHM] | | 5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below) President and CEO | |
| (Last) | (First) | (Middle) | 3. Date of Earliest Transaction (Month/Day/Year) 05/26/2011 | | |
| C/O GRAHAM CORPORATION, 20 FLORENCE AVENUE | | | 4. 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 <input type="checkbox"/> Form filed by More than One Reporting Person |
| (Street) BATAVIA, NY 14020 | | | | | |
| (City) | | | (State) | | |

| 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 | 05/26/2011 | | A | (1) | 2,612 | (1) | A | \$ 0 | 28,800 | (3) | D | |
| Common Stock | 05/26/2011 | | A | (2) | 2,612 | (2) | A | \$ 0 | 31,412 | | D | |
| Common Stock | | | | | | | | | 5,570 | | I | See footnote (4) |

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

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 control number. SEC 1474 (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. Price of Derivative Security (Instr. 5) | 9. Number of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4) | 10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) | |
|--|--|--------------------------------------|--|--------------------------------|---|---|-----|--|-----------------|---|----------------------------|--|--|--|--|--|
| | | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares | | | | | |
| Stock Option (Right to Buy) | \$ 7.976 | | | | | | | 06/01/2010 | 06/01/2016 | Common Stock | 7,500 | (5) | 7,500 | (5) | D | |
| Stock Option (Right to Buy) | \$ 6.84 | | | | | | | 07/27/2010 | 07/27/2016 | Common Stock | 3,750 | (5) | 3,750 | (5) | D | |
| Stock Option (Right to Buy) | \$ 6.9 | | | | | | | (6) | 05/31/2017 | Common Stock | 9,894 | (6) | 9,894 | (6) | D | |
| Stock Option (Right to Buy) | \$ 30.875 | | | | | | | (7) | 05/29/2018 | Common Stock | 2,532 | (7) | 2,532 | (7) | D | |

| | | | | | | | | | | | | | | | | |
|-----------------------------|----------|--|--|--|--|--|--|--|-----|------------|--------------|-----------|--|-----------|---|--|
| Stock Option (Right to Buy) | \$ 15.22 | | | | | | | | (8) | 05/28/2019 | Common Stock | 5,922 (8) | | 5,922 (8) | D | |
| Stock Option (Right to Buy) | \$ 15.25 | | | | | | | | (9) | 05/20/2020 | Common Stock | 4,638 (9) | | 4,638 (9) | D | |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|-------------------|-------|
| | Director | 10% Owner | Officer | Other |
| LINES JAMES R C/O GRAHAM CORPORATION 20 FLORENCE AVENUE BATAVIA, NY 14020 | X | | President and CEO | |

Signatures

| | | |
|--|--|---------------------|
| /s/ James R. Lines | | 05/27/2011 |
| <small>**Signature of Reporting Person</small> | | <small>Date</small> |

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 time-vested restricted stock award was granted under the Amended and Restated 2000 Graham Corporation Incentive Plan to Increase Shareholder Value in a transaction exempt under Rule 16b-3.
This performance-vested restricted stock award was granted under the Amended and Restated 2000 Graham Corporation Incentive Plan to Increase Shareholder Value in a transaction exempt under Rule 16b-3 and is subject to forfeiture if certain vesting conditions are not met. The number of shares reported assumes target achievement of the performance criteria. If maximum achievement is realized, the number of shares reported would double.
- (2) Includes 1,730 shares acquired under the Graham Corporation Employee Stock Purchase Plan.
- (3) Shares held by the trustee of the Graham Corporation Employee Stock Ownership Plan and allocated to Mr. Lines's account, as to which Mr. Lines has sole voting power but no dispositive power, except in limited circumstances.
- (4) This option was previously reported by Mr. Lines.
- (5) This option was previously reported by Mr. Lines and is exercisable pro rata on the first, second, third and fourth anniversaries of the 5/31/07 grant date.
- (6) This option was previously reported by Mr. Lines and is exercisable pro rata on the first, second, third and fourth anniversaries of the 5/29/08 grant date.
- (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 5/28/09 grant date.
- (8) 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.
- (9) 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.

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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