

GOSTOMSKI MICHAEL M
 Form 4
 November 29, 2010

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
 Expires: January 31, 2005
 Estimated average burden hours per response... 0.5

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 *
GOSTOMSKI MICHAEL M

2. Issuer Name and Ticker or Trading Symbol
FASTENAL CO [FAST]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
 1666 VALLEY VIEW DRIVE
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 11/24/2010

Director 10% Owner
 Officer (give title below) Other (specify below)

WINONA, MN 55987

4. If Amendment, Date Original Filed (Month/Day/Year)

6. Individual or Joint/Group Filing (Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

(City) (State) (Zip)

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)
Common Stock	11/24/2010		G	V 47,978 A \$ 0	446,882	I	By trust ⁽¹⁾
Common Stock	11/24/2010		J ⁽²⁾	172,022 A \$ 53.93	618,904	I	By trust ⁽¹⁾
Common Stock	11/24/2010		G	V 47,978 D \$ 0	29,300	I	By spouse's trust ⁽³⁾
Common Stock	11/24/2010		J ⁽²⁾	172,022 D \$ 53.93	0	I	By Spouse's GRAT
Common					2,223	D	

Stock			
Common Stock	2,223	I	By spouse
Common Stock	12,000	I	By trust <u>(4)</u>

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

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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 Security (Instr. 3 and 4)	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title
Forward sale contract (obligation to sell)	<u>(5)</u> <u>(6)</u>	11/24/2010		J/K	(5)(6)	220,000	11/23/2011 11/23/2011	Common Stock

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
GOSTOMSKI MICHAEL M 1666 VALLEY VIEW DRIVE WINONA, MN 55987		X		

Signatures

/s/ John Milek,
Attorney-in-Fact

11/29/2010

**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).

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- (1) Shares held in reporting person's revocable living trust for which the reporting person has voting and investment power; the revocable living trust is also party to forward sale contract described in Table II.
- (2) Reporting person's revocable living trust received 172,022 Fastenal common shares from his spouse's grantor retained annuity trust in exchange for \$9,277,146.
- (3) Shares held in reporting person's spouse's revocable living trust for which the spouse has voting and investment power.
- (4) Shares held in a charitable remainder unit trust for which the reporting person and his spouse share voting and investment power.

On November 24, 2010, the reporting person entered into a prepaid variable forward contract with an unaffiliated third-party buyer. The contract obligates the reporting person to deliver to the buyer up to 220,000 shares of Fastenal Company common stock (or, at the reporting person's election, an equivalent amount of cash based on the market price of Fastenal common stock at that time) on the maturity date of the contract (November 23, 2011). In exchange for assuming this obligation, the reporting person will receive a cash payment of \$9,438,000. The reporting person pledged 220,000 Fastenal common shares (the "Pledged Shares") to secure his obligations under the contract, and retains dividend and voting rights in the Pledged Shares during the term of the pledge.

- (continued from footnote 5) The number of Fastenal common shares to be delivered to the buyer on the maturity date is to be determined as follows: (i) if the closing price of Fastenal common stock on the maturity date (the "Settlement Price") is less than or equal to \$48.54 (the "Floor Price"), the reporting person will deliver to the buyer all of the Pledged Shares; (ii) if the Settlement Price is between the Floor Price and \$70.11 (the "Cap Price"), the reporting person will deliver to the buyer a number of Fastenal common shares equal to 220,000 times the Floor Price divided by the Settlement Price; and (iii) if the Settlement Price is greater than the Cap Price, the reporting person will deliver to the buyer a number of Fastenal common shares equal to 220,000 times a fraction whose numerator is the Floor Price plus the difference between the Settlement Price and the Cap Price, and whose denominator is the Settlement Price.
- (6) Price and \$70.11 (the "Cap Price"), the reporting person will deliver to the buyer a number of Fastenal common shares equal to 220,000 times the Floor Price divided by the Settlement Price; and (iii) if the Settlement Price is greater than the Cap Price, the reporting person will deliver to the buyer a number of Fastenal common shares equal to 220,000 times a fraction whose numerator is the Floor Price plus the difference between the Settlement Price and the Cap Price, and whose denominator is the Settlement Price.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.