

SANDLER DAVID
Form 4
October 25, 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 *
SANDLER DAVID

2. Issuer Name and Ticker or Trading Symbol
MSC INDUSTRIAL DIRECT CO INC [MSM]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction
(Month/Day/Year)
10/21/2011

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

C/O MSC INDUSTRIAL DIRECT CO INC, 75 MAXESS RD

(Street)

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

MELVILLE, NY 11747

(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 Ownership (Instr. 4) |
|---|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | | (A) or (D) | Price | | |
| Class A Common Stock, \$0.001 par value | 10/21/2011 | | A ⁽¹⁾ | 183,418 ⁽²⁾ | A \$ 0 270,252 | D | |
| Class A Common Stock, \$0.001 par value | 10/21/2011 | | A ⁽³⁾ | 5,832 | A \$ 0 276,084 | D | |
| | | | | | | 1,000 | I |

Class A
Common
Stock,
\$0.001 par
value

See
Footnote
(4)

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. Price of Derivative Security (Instr. 5) | 9. Number of Derivative Securities Owned Following Transaction (Instr. 5) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|---|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| SANDLER DAVID C/O MSC INDUSTRIAL DIRECT CO INC 75 MAXESS RD MELVILLE, NY 11747 | X | | CEO | |

Signatures

/s/ David Sandler 10/25/2011

**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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- Acquisition upon satisfaction of performance condition applicable to performance-based restricted stock units. On October 19, 2010, the Compensation Committee of the Board of Directors of the Issuer (the "Committee") approved the grant of a Restricted Stock Unit Agreement (the "RSU Agreement") to the Reporting Person. The RSU Agreement covers 183,418 shares and provides for vesting in two installments, contingent on the Company having at least \$125 million of adjusted net income during either fiscal 2011 or fiscal 2012 (the "Performance Condition") and the Reporting Person satisfying the service conditions of the RSU Agreement. On October 21, 2011, the Committee certified that the Performance Condition had been satisfied.
- (1)

- Two-thirds of the restricted stock units will vest if: (i) the Reporting Person continues to serve as Chief Executive Officer through December 31, 2012, as such date may be accelerated or extended by the Board of Directors of the Issuer (the "Board"), provided that such date may not be extended beyond December 31, 2013 (such date, as accelerated or extended, the "Succession Date"); (ii) the Reporting Person serves as interim Chief Executive Officer at the request of the Board at any time during the two-year period commencing on the Succession Date (the "Transition Period") in the event that the Reporting Person's successor is no longer serving as Chief Executive Officer for any reason; and (iii) the Reporting Person serves as Vice Chairman of the Board for a period commencing on the Succession Date through the earlier of (A) the two-year anniversary of the Succession Date and (B) the date the Reporting Person fails to be nominated, appointed, or re-elected to the Board through no fault of the Reporting Person. The remaining one-third of the restricted stock units will vest if the Reporting Person satisfies the aforementioned service conditions and continues to serve as Vice Chairman of the Board for an additional period of two years thereafter. Subject to certain exceptions in the case of the death or disability of the Reporting Person or a change in control of the Issuer, no portion of the restricted stock units will vest prior to the end of the Transition Period.
- (2)

- Represents dividend equivalent units ("DEUs") accrued on restricted stock units granted to the Reporting Person under the Issuer's 2005 Omnibus Incentive Plan. DEUs are settled in shares of the Issuer's Class A Common Stock upon the vesting of the underlying restricted stock units.
- (3)

- (4) These shares are held in trust for the benefit of the Reporting Person's children.

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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