

McKay John D
Form 4
October 12, 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 *
McKay John D

2. Issuer Name and Ticker or Trading Symbol
COSTCO WHOLESALE CORP
/NEW [COST]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
999 LAKE DRIVE
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
10/08/2010

____ Director
 Officer (give title below) _____ Other (specify below)
Executive Vice President

ISSAQUAH, WA 98027

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 Ownership (Instr. 4)
				(A) or (D)	Price		
Common Stock	10/08/2010		M	22,500	A \$ 39.25	65,320	D
Common Stock	10/08/2010		M	15,000	A \$ 38.79	80,320	D
Common Stock	10/08/2010		S	37,500	D <u>1</u>	42,820	D

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)	Amount or Number of Shares
Stock Option	\$ 39.25	10/08/2010		M	22,500	04/02/2002 04/02/2012	Common Stock	22,500
Stock Option	\$ 38.79	10/08/2010		M	15,000	04/02/2002 04/02/2012	Common Stock	15,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
McKay John D 999 LAKE DRIVE ISSAQUAH, WA 98027			Executive Vice President	

Signatures

Deanna K. Nakashima,
attorney-in-fact

10/12/2010

__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).

Shares sold as follows: 2400 @ 64.1600 1000 @ 64.1700 200 @ 64.1800 300 @ 64.1900 1563 @ 64.2000 937 @ 64.2100 100 @ 64.2200 100 @ 64.2300 500 @ 64.3101 1181 @ 64.3500 1900 @ 64.3600 500 @ 64.3700 100 @ 64.3800 702 @ 64.3900 2112 @ 64.4000 1799 @ 64.4100 1099 @ 64.4200 299 @ 64.4400 2300 @ 64.4700 600 @ 64.4800 200 @ 64.4900 1000 @ 64.5000 1700 @ 64.5100 6630 @ 64.5300 1000 @ 64.5301 200 @ 64.5400 700 @ 64.5500 808 @ 64.5600 100 @ 64.5800 1000 @ 64.5900 170 @ 64.6000 300 @ 64.6100 600 @ 64.6400 2400 @ 64.7000 1000 @ 64.7100

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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