

PALMISANO SAMUEL J
 Form 4
 November 06, 2009

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 *
 PALMISANO SAMUEL J

2. Issuer Name and Ticker or Trading Symbol
 INTERNATIONAL BUSINESS MACHINES CORP [IBM]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)
 11/05/2009

Director 10% Owner
 Officer (give title below) Other (specify below)
 Chairman, Pres., and CEO

IBM CORPORATION, ONE NEW ORCHARD ROAD

(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

ARMONK, NY 10504

(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		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)
			Code	V	Amount	(A) or (D)			
Common Stock	11/05/2009		G	V	205	D	\$ 0	115,560.1615	D
Common Stock	11/05/2009		G	V	205	D	\$ 0	115,355.1615	D
Common Stock	11/05/2009		G	V	205	D	\$ 0	115,150.1615	D
Common Stock	11/05/2009		G	V	205	D	\$ 0	114,945.1615	D
Common Stock	11/05/2009		G	V	850	D	\$ 0	114,095.1615	D

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Common Stock	11/05/2009	M	968	A	\$ 103.25	115,063.1615	D	
Common Stock	11/05/2009	M	79,032	A	\$ 103.25	194,095.1615	D	
Common Stock	11/05/2009	S	8,200	D	\$ 122	185,895.1615	D	
Common Stock	11/05/2009	S	4,284	D	\$ 122.01	181,611.1615	D	
Common Stock	11/05/2009	S	3,400	D	\$ 122.03	178,211.1615	D	
Common Stock	11/05/2009	S	400	D	\$ 122.04	177,811.1615	D	
Common Stock	11/05/2009	S	2,017	D	\$ 122.05	175,794.1615	D	
Common Stock	11/05/2009	S	1,600	D	\$ 122.06	174,194.1615	D	
Common Stock	11/05/2009	S	1,000	D	\$ 122.07	173,194.1615	D	
Common Stock	11/05/2009	S	600	D	\$ 122.08	172,594.1615	D	
Common Stock	11/05/2009	S	1,100	D	\$ 122.1	171,494.1615	D	
Common Stock	11/05/2009	S	499	D	\$ 122.11	170,995.1615	D	
Common Stock	11/05/2009	S	1,000	D	\$ 122.21	169,995.1615	D	
Common Stock	11/05/2009	S	2,131	D	\$ 122.22	167,864.1615	D	
Common Stock	11/05/2009	S	1,364	D	\$ 122.23	166,500.1615	D	
Common Stock						309	I ⁽¹⁾	daughter
Common Stock						529	I ⁽¹⁾	son 1
Common Stock						309	I ⁽¹⁾	son 2
Common Stock						194,404	I ⁽¹⁾	spouse

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

SEC 1474
(9-02)

required to respond unless the form displays a currently valid OMB control number.

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)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Emp. Stock Option (right to buy)	\$ 103.25	11/05/2009		M	79,032	02/29/2004 ⁽²⁾ 02/28/2010	Common Stock	79,032	
Emp. Stock Option (right to buy)	\$ 103.25	11/05/2009		M	968	02/29/2004 ⁽²⁾ 02/28/2010	Common Stock	968	

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
PALMISANO SAMUEL J IBM CORPORATION ONE NEW ORCHARD ROAD ARMONK, NY 10504	X		Chairman, Pres., and CEO	

Signatures

D. Cummins on behalf of S. J. Palmisano
11/06/2009

**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) The reporting person disclaims beneficial ownership of the securities, and this report shall not be deemed an admission that the reporting person is the beneficial owner of such securities for purposes of Section 16 or for any other purpose.

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(2) This grant vested in four equal annual installments; the last installment vested on the date shown above.

Remarks:

Additional transactions will be shown on a subsequent Form 4.

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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