

EATON CORP
Form 4
March 22, 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 *
CUTLER ALEXANDER M

(Last) (First) (Middle)

EATON CENTER, 1111 SUPERIOR AVE.

(Street)

CLEVELAND, OH 44114

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
EATON CORP [ETN]

3. Date of Earliest Transaction (Month/Day/Year)
03/18/2010

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

Chairman and CEO

6. Individual or Joint/Group Filing (Check Applicable Line)

Form filed by One Reporting Person
 Form filed by More than One Reporting Person

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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | Code | V | Amount or Price | | |
| Common Shares | 03/18/2010 | | M | | 380,946.65 ⁽¹⁾ | A | <u>2</u> 653,779.65 D |
| Common Shares | 03/18/2010 | | F | | 146,664 ⁽³⁾ | D | \$ 73.94 507,115 ⁽⁴⁾ D |
| Common Shares | | | | | | I | 17,702.305 ⁽⁵⁾ by trustee of ESP |
| Common Shares | | | | | 1,000 | I | by son |

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) | Amount of Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|
| Phantom Shares | (2) | 03/18/2010 | | M | 380,946.65 (6) | (7) (7) | Common Shares | 380,946 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|------------------|-------|
| | Director | 10% Owner | Officer | Other |
| CUTLER ALEXANDER M EATON CENTER 1111 SUPERIOR AVE. CLEVELAND, OH 44114 | X | | Chairman and CEO | |

Signatures

/s/Kathleen S. O'Connor, as
Attorney-in-Fact

03/22/2010

__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).
- (1) These common shares were acquired upon settlement of certain Phantom Share Units. Such Phantom Share Units were held by the reporting person in an account maintained under one or more of the issuer's deferred compensation plans.
- (2) Each Phantom Share Unit is the economic equivalent of one common share of the issuer.
- (3) These shares were delivered to the issuer to pay for the applicable withholding tax in connection with the settlement of certain Phantom Share Units.
- (4) Aggregate holdings have been adjusted to reflect the cash-out of fractional shares in connection with the settlement of certain Phantom Share Units.
- (5) These shares are held in the Eaton Savings Plan.
- (6) These Phantom Share Units were surrendered in settlement for common shares of the issuer.
- (7) This field is not applicable.

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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