

LOUGHRIDGE MARK
Form 4
October 29, 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 *
LOUGHRIDGE MARK

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)

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
Sr. VP and CFO

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 (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 | (A) or (D) | Price |
| Common Stock | 10/28/2009 | | M | | 968 | A | \$ 103.25 |
| Common Stock | 10/28/2009 | | M | | 21,532 | A | \$ 103.25 |
| Common Stock | 10/28/2009 | | M | | 955 | A | \$ 104.71 |
| Common Stock | 10/28/2009 | | M | | 23,545 | A | \$ 104.71 |
| Common Stock | 10/28/2009 | | S | | 335 | D | \$ 120.68 |

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| | | | | | | | |
|--------------|------------|---|--------|---|-------------|-------------|---|
| Common Stock | 10/28/2009 | S | 640 | D | \$ 120.69 | 103,030.784 | D |
| Common Stock | 10/28/2009 | S | 15,180 | D | \$ 120.7 | 87,850.784 | D |
| Common Stock | 10/28/2009 | S | 600 | D | \$ 120.705 | 87,250.784 | D |
| Common Stock | 10/28/2009 | S | 6,136 | D | \$ 120.71 | 81,114.784 | D |
| Common Stock | 10/28/2009 | S | 1,000 | D | \$ 120.715 | 80,114.784 | D |
| Common Stock | 10/28/2009 | S | 1,231 | D | \$ 120.72 | 78,883.784 | D |
| Common Stock | 10/28/2009 | S | 834 | D | \$ 120.725 | 78,049.784 | D |
| Common Stock | 10/28/2009 | S | 3,236 | D | \$ 120.73 | 74,813.784 | D |
| Common Stock | 10/28/2009 | S | 1,000 | D | \$ 120.735 | 73,813.784 | D |
| Common Stock | 10/28/2009 | S | 200 | D | \$ 120.7375 | 73,613.784 | D |
| Common Stock | 10/28/2009 | S | 2,511 | D | \$ 120.74 | 71,102.784 | D |
| Common Stock | 10/28/2009 | S | 436 | D | \$ 120.745 | 70,666.784 | D |
| Common Stock | 10/28/2009 | S | 1,188 | D | \$ 120.755 | 69,478.784 | D |
| Common Stock | 10/28/2009 | S | 2,642 | D | \$ 120.76 | 66,836.784 | D |
| Common Stock | 10/28/2009 | S | 100 | D | \$ 120.765 | 66,736.784 | D |

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

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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 | 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) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) |
|--|------------------------------------|--------------------------------------|--|--------------------------------|---|--|---|
|--|------------------------------------|--------------------------------------|--|--------------------------------|---|--|---|

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| Derivative Security | | | or Disposed of (D) (Instr. 3, 4, and 5) | | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
|----------------------------------|-----------|------------|---|-----------|---------------------------|-----------------|--------------|----------------------------|
| | | | Code | V (A) (D) | | | | |
| Emp. Stock Option (right to buy) | \$ 103.25 | 10/28/2009 | M | 968 | 02/29/2004 ⁽¹⁾ | 02/28/2010 | Common Stock | 968 |
| Emp. Stock Option (right to buy) | \$ 103.25 | 10/28/2009 | M | 21,532 | 02/29/2004 ⁽¹⁾ | 02/28/2010 | Common Stock | 21,532 |
| Emp. Stock Option (right to buy) | \$ 104.71 | 10/28/2009 | M | 955 | 02/27/2005 ⁽¹⁾ | 02/26/2011 | Common Stock | 955 |
| Emp. Stock Option (right to buy) | \$ 104.71 | 10/28/2009 | M | 23,545 | 02/27/2005 ⁽¹⁾ | 02/26/2011 | Common Stock | 23,545 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|----------------|-------|
| | Director | 10% Owner | Officer | Other |
| LOUGHRIDGE MARK IBM CORPORATION ONE NEW ORCHARD ROAD ARMONK, NY 10504 | | | Sr. VP and CFO | |

Signatures

M. F. SooHoo on behalf of M. Loughridge
 10/29/2009
 __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) This grant vested in four equal annual installments; the last installment vested on the date shown above.

Remarks:

Additional sales 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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