

EATON CORP
Form 4
June 06, 2006

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

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 *
BUENTE STEPHEN 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)
06/02/2006

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)
Sr VP and President-Automotive

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 Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | Code | V | Amount or Price | | |
| Common Shares | 06/02/2006 | | M | | 2,461 A \$ 40.6 | 44,793 ⁽¹⁾ | D |
| Common Shares | 06/02/2006 | | M | | 9,596 A \$ 38.05 | 54,389 ⁽¹⁾ | D |
| Common Shares | 06/02/2006 | | M | | 40,200 A \$ 36.47 | 94,589 ⁽¹⁾ | D |
| Common Shares | 06/02/2006 | | M | | 2,886 D \$ 34.65 | 91,703 ⁽¹⁾ | D |
| Common Shares | 06/02/2006 | | S | | 1,800 D \$ 74.58 | 89,903 ⁽¹⁾ | D |

Edgar Filing: EATON CORP - Form 4

| | | | | | | | |
|---------------|------------|---|-------|---|----------|-------------------|---|
| Common Shares | 06/02/2006 | S | 1,100 | D | \$ 74.56 | 88,803 <u>(1)</u> | D |
| Common Shares | 06/02/2006 | S | 1,900 | D | \$ 74.55 | 86,903 <u>(1)</u> | D |
| Common Shares | 06/02/2006 | S | 1,300 | D | \$ 74.54 | 85,603 <u>(1)</u> | D |
| Common Shares | 06/02/2006 | S | 900 | D | \$ 74.53 | 84,703 <u>(1)</u> | D |
| Common Shares | 06/02/2006 | S | 300 | D | \$ 74.52 | 84,403 <u>(1)</u> | D |
| Common Shares | 06/02/2006 | S | 200 | D | \$ 74.51 | 84,203 <u>(1)</u> | D |
| Common Shares | 06/02/2006 | S | 3,300 | D | \$ 74.5 | 80,903 <u>(1)</u> | D |
| Common Shares | 06/02/2006 | S | 600 | D | \$ 74.49 | 80,303 <u>(1)</u> | D |
| Common Shares | 06/02/2006 | S | 1,100 | D | \$ 74.48 | 79,203 <u>(1)</u> | D |
| Common Shares | 06/02/2006 | S | 1,600 | D | \$ 74.47 | 77,603 <u>(1)</u> | D |
| Common Shares | 06/02/2006 | S | 400 | D | \$ 74.45 | 77,203 <u>(1)</u> | D |
| Common Shares | 06/02/2006 | S | 900 | D | \$ 74.44 | 76,303 <u>(1)</u> | D |
| Common Shares | 06/02/2006 | S | 1,000 | D | \$ 74.43 | 75,303 <u>(1)</u> | D |
| Common Shares | 06/02/2006 | S | 200 | D | \$ 74.42 | 75,103 <u>(1)</u> | D |
| Common Shares | 06/02/2006 | S | 700 | D | \$ 74.41 | 74,403 <u>(1)</u> | D |
| Common Shares | 06/02/2006 | S | 600 | D | \$ 74.4 | 73,803 <u>(1)</u> | D |
| Common Shares | 06/02/2006 | S | 600 | D | \$ 74.39 | 73,203 <u>(1)</u> | D |
| Common Shares | 06/02/2006 | S | 100 | D | \$ 74.38 | 73,103 <u>(1)</u> | D |
| Common Shares | 06/02/2006 | S | 400 | D | \$ 74.37 | 72,703 <u>(1)</u> | D |
| Common Shares | 06/02/2006 | S | 400 | D | \$ 74.36 | 72,303 <u>(1)</u> | D |
| | 06/02/2006 | S | 600 | D | | 71,703 <u>(1)</u> | D |

Edgar Filing: EATON CORP - Form 4

| | | | | | | | | |
|---------------|------------|--|---|-----|---|----------|-------------------------|---|
| Common Shares | | | | | | \$ 74.35 | | |
| Common Shares | 06/02/2006 | | S | 300 | D | \$ 74.34 | 71,403 ⁽¹⁾ | D |
| Common Shares | 06/02/2006 | | S | 100 | D | \$ 74.31 | 71,303 ⁽¹⁾ | D |
| Common Shares | | | | | | | 5,818.33 ⁽²⁾ | I |

by trustee of ESP

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.

SEC 1474
(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) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| Stock Option | \$ 38.05 | 06/02/2006 | <u>(3)</u> | M | 9,596 | 01/27/1999 ⁽⁴⁾ 01/27/2008 | Common Shares 9,596 |
| Stock Option | \$ 36.47 | 06/02/2006 | <u>(3)</u> | M | 40,200 | 02/27/2002 ⁽⁴⁾ 02/27/2011 | Common Shares 40,200 |
| Stock Option | \$ 40.6 | 06/02/2006 | <u>(3)</u> | M | 2,461 | 02/26/2003 ⁽⁴⁾ 02/26/2012 | Common Shares 2,461 |
| Stock Option | \$ 34.65 | 06/02/2006 | <u>(3)</u> | M | 2,886 | 02/25/2004 ⁽⁴⁾ 02/25/2013 | Common Shares 2,886 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|--------------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| BUENTE STEPHEN M EATON CENTER 1111 SUPERIOR AVE. | | | Sr VP and President-Automotive | |

CLEVELAND, OH 44114

Signatures

/s/ Claudia J. Taller as
attorney-in-fact

06/06/2006

__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) Certain of these shares represent restricted shares issued under an Eaton Corporation stock plan and are subject to risk of forfeiture.
- (2) These shares are held in the Eaton Savings Plan.
- (3) This field is not applicable.

These options combined grants of Non-Qualified Stock Options and Incentive Stock Options. Thirty-five percent (35%) of the

- (4) Non-Qualified Stock Options become exercisable on the first and second anniversaries of the date granted and thirty percent (30%) on the third anniversary of the date granted. The Incentive Stock Options are exercisable in their entirety three years from the date of grant.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.