

EATON CORP
Form 4
March 09, 2006

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 *
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)
03/07/2006

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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | | (A) or (D) | Price | | |
| Common Shares | 03/07/2006 | | M | V | 41,114 A \$ 34.65 | 83,446 (1) | D |
| Common Shares | 03/07/2006 | | S | | 300 D \$ 69.79 | 83,146 (1) | D |
| Common Shares | 03/07/2006 | | S | | 300 D \$ 69.77 | 82,846 (1) | D |
| Common Shares | 03/07/2006 | | S | | 600 D \$ 69.75 | 82,246 (1) | D |
| Common Shares | 03/07/2006 | | S | | 500 D \$ 69.73 | 81,746 (1) | D |

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| | | | | | | | |
|---------------|------------|---|-----|---|----------|-----------------------|---|
| Common Shares | 03/07/2006 | S | 200 | D | \$ 69.7 | 81,546 ⁽¹⁾ | D |
| Common Shares | 03/07/2006 | S | 200 | D | \$ 69.69 | 81,346 ⁽¹⁾ | D |
| Common Shares | 03/07/2006 | S | 400 | D | \$ 69.66 | 80,946 ⁽¹⁾ | D |
| Common Shares | 03/07/2006 | S | 300 | D | \$ 69.61 | 80,646 ⁽¹⁾ | D |
| Common Shares | 03/07/2006 | S | 200 | D | \$ 69.56 | 80,446 ⁽¹⁾ | D |
| Common Shares | 03/07/2006 | S | 200 | D | \$ 69.52 | 80,246 ⁽¹⁾ | D |
| Common Shares | 03/07/2006 | S | 900 | D | \$ 69.49 | 79,346 ⁽¹⁾ | D |
| Common Shares | 03/07/2006 | S | 900 | D | \$ 69.47 | 78,446 ⁽¹⁾ | D |
| Common Shares | 03/07/2006 | S | 500 | D | \$ 69.46 | 77,946 ⁽¹⁾ | 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 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 | \$ 34.65 | 03/07/2006 | <u>(2)</u> | M | 41,114 | 02/25/2004 ⁽³⁾ 02/25/2013 | Common Shares 41,114 |

Reporting Owners

Reporting Owner Name / Address

Relationships

Reporting Owners

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Director 10% Owner Officer

Other

BUENTE STEPHEN M
EATON CENTER
1111 SUPERIOR AVE.
CLEVELAND, OH 44114

Sr VP and President-Automotive

Signatures

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

03/09/2006

__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) This field is not applicable.

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

(3) 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.

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