

Arnold Colleen F.
Form 4
May 10, 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 *
Arnold Colleen F.

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)

IBM CORPORATION, 294 ROUTE 100

05/08/2010

Senior Vice President

(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

SOMERS, NY 10589

(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 Beneficial Ownership (Instr. 4)
			Code	V	Amount or Price		
Common Stock	05/08/2010		M		2,103 A \$ 0	29,105.1992	D
Common Stock	05/08/2010		M		3,125 A \$ 0	32,230.1992	D
Common Stock	05/08/2010		F		973 D \$ 122.185	31,257.1992	D
Common Stock	05/08/2010		F		1,445 D \$ 122.185	29,812.1992	D
Common Stock						130	I <u>(1)</u> <u>(2)</u> daughter

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Common Stock 130 I (1) (2) son
 Common Stock 3,524 I (1) trust

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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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)	8. Price or Value of Underlying Securities (Instr. 3 and 4)		
							Date Exercisable	Expiration Date	Title	Amount or Number of Shares
							Code	V	(A)	(D)
Rst. Stock Unit	\$ 0 <u>(3)</u>	05/08/2010		M <u>(4)</u>	3,125	<u>(3)</u> <u>(3)</u>	Common Stock	3,125	\$	
Rst. Stock Unit	\$ 0 <u>(3)</u>	05/08/2010		M <u>(4)</u>	2,103	<u>(3)</u> <u>(3)</u>	Common Stock	2,103	\$	

Reporting Owners

Reporting Owner Name / Address	Relationships
Director 10% Owner Officer Other	
Arnold Colleen F. IBM CORPORATION 294 ROUTE 100 SOMERS, NY 10589	Senior Vice President

Signatures

D. Cummins on behalf of C. F. Arnold 05/10/2010

 Date

**Signature of Reporting Person

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.
- (2) The Form 4 filed on February 2, 2010 for Colleen Arnold overstated this indirect holding by 50 shares.
- (3) These units are payable in cash or the company's common stock upon lapse of the restrictions on the transaction date shown.
- (4) Release of restricted stock units.

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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