

EATON CORP  
Form 4  
May 15, 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 \*  
PARMENTER R E

(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)  
05/11/2006

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)

Vice President and Treasurer

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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|----------------------------------------------------------|-----------------------------------|
|                                 |                                      |                                                    | Code                           | V Amount (A) or (D) Price                                         |                                                                                               |                                                          |                                   |
| Common Shares                   | 05/11/2006                           |                                                    | M                              | 1,240 A \$ 30.76                                                  | 5,082                                                                                         | D                                                        |                                   |
| Common Shares                   | 05/11/2006                           |                                                    | S                              | 1,240 D \$ 79.25                                                  | 3,842                                                                                         | D                                                        |                                   |
| Common Shares                   |                                      |                                                    |                                |                                                                   | 5,000.628 <sup>(1)</sup>                                                                      | 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**

SEC 1474 (9-02)

number.

**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 (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                               | \$ 30.76                                               | 05/11/2006                           | (2)                                                | M                              | 1,240                                                                          | 01/25/2001(3) 01/25/2010                                 | Common Shares 1,240                                           |

## Reporting Owners

| Reporting Owner Name / Address                                             | Relationships |           |                              |       |
|----------------------------------------------------------------------------|---------------|-----------|------------------------------|-------|
|                                                                            | Director      | 10% Owner | Officer                      | Other |
| PARMENTER R E<br>EATON CENTER<br>1111 SUPERIOR AVE.<br>CLEVELAND, OH 44114 |               |           | Vice President and Treasurer |       |

## Signatures

/s/ Claudia J. Taller as attorney-in-fact 05/15/2006

\*\*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) These shares are held in the Eaton Savings Plan.
- (2) This field is not applicable.
- (3) Thirty-three percent (33%) of these options become exercisable on the first and second anniversaries of the date granted and thirty-four percent (34%) on the third anniversary of the date granted.

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.