

EATON CORP
Form 4
August 01, 2005

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 *
RAWOT BILLIE K

(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)
07/28/2005

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 Controller

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	07/28/2005	(1)	M		8,117	A	\$ 38.05
Common Shares	07/28/2005	(1)	M		9,140	A	\$ 30.91
Common Shares	07/28/2005	(1)	S		1,000	D	\$ 66.07
Common Shares	07/28/2005	(1)	S		3,257	D	\$ 66.08
Common Shares	07/28/2005	(1)	S		6,000	D	\$ 66.09

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Common Shares	07/28/2005	<u>(1)</u>	S	5,000	D	\$ 66.1	14,073.72	D	
Common Shares	07/28/2005	<u>(1)</u>	S	900	D	\$ 66.11	13,173.72	D	
Common Shares	07/28/2005	<u>(1)</u>	S	100	D	\$ 66.12	13,073.72	D	
Common Shares	07/28/2005	<u>(1)</u>	S	1,000	D	\$ 66.15	12,073.72	D	
Common Shares							10,021.331	I	by trustee of ESP <u>(2)</u>

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)	Amount or Number of Shares
Stock Option	\$ 30.91	07/28/2005	<u>(1)</u>	M	9,140	07/21/1997 ⁽³⁾ 01/21/2007	Common Shares	9,140
Stock Option	\$ 38.05	07/28/2005	<u>(1)</u>	M	8,117	07/27/1998 ⁽⁴⁾ 01/27/2008	Common Shares	8,117

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
RAWOT BILLIE K EATON CENTER 1111 SUPERIOR AVE CLEVELAND, OH 44114	Vice President and Controller

Signatures

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

07/28/2005

__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 field is not applicable.

(2) Eaton Savings Plan

1997 Performance Options - 50% of these options vested when a market price goal for Eaton shares was met. The remaining 50% will vest upon the earlier of (i) the achievement by Eaton of an earning per share target or (ii) 10 days before the expiration of their ten-year term.

1998 Performance Options - 50% of these options vested when a market price goal for Eaton shares was met. The remaining 50% of the options vest if Eaton Corporation earns \$8.80 or more per share by the end of the year 2001. If the goal is not met, the unmet goal will be increased by 10% per year thereafter. In all events, the options vest 10 days prior to the expiration of the 10 year option term.

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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