

EATON CORP
Form 4
January 16, 2007

FORM 4

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

OMB APPROVAL

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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)
01/11/2007

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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	Price	
Common Shares	01/11/2007		M ⁽¹⁾		34,850	\$ 30.91	A
Common Shares	01/11/2007		S ⁽²⁾		500	\$ 72.89	D
Common Shares	01/11/2007		S ⁽²⁾		3,300	\$ 72.92	D
Common Shares	01/11/2007		S ⁽²⁾		1,598	\$ 72.93	D
Common Shares	01/11/2007		S ⁽²⁾		3,102	\$ 72.94	D

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Common Shares	01/11/2007	<u>S(2)</u>	100	D	\$ 72.95	33,874.72	D	
Common Shares	01/11/2007	<u>S(2)</u>	300	D	\$ 73.03	33,574.72	D	
Common Shares	01/11/2007	<u>S(2)</u>	6,000	D	\$ 73.06	27,574.72	D	
Common Shares	01/11/2007	<u>S(2)</u>	4,000	D	\$ 73.07	23,574.72	D	
Common Shares	01/11/2007	<u>S(2)</u>	1,080	D	\$ 73.08	22,494.72	D	
Common Shares	01/11/2007	<u>S(2)</u>	1,020	D	\$ 73.09	21,474.72	D	
Common Shares	01/11/2007	<u>S(2)</u>	2,200	D	\$ 73.11	19,274.72	D	
Common Shares	01/11/2007	<u>S(2)</u>	3,200	D	\$ 73.12	16,074.72	D	
Common Shares	01/11/2007	<u>S(2)</u>	1,100	D	\$ 73.13	14,974.72	D	
Common Shares	01/11/2007	<u>S(2)</u>	600	D	\$ 73.14	14,374.72	D	
Common Shares	01/11/2007	<u>S(2)</u>	700	D	\$ 73.15	13,674.72	D	
Common Shares	01/11/2007	<u>S(2)</u>	900	D	\$ 73.17	12,774.72	D	
Common Shares	01/11/2007	<u>S(2)</u>	1,200	D	\$ 73.18	11,574.72	D	
Common Shares	01/11/2007	<u>S(2)</u>	400	D	\$ 73.19	11,174.72	D	
Common Shares	01/11/2007	<u>S(2)</u>	900	D	\$ 73.24	10,274.72	D	
Common Shares	01/11/2007	<u>S(2)</u>	800	D	\$ 73.27	9,474.72	D	
Common Shares	01/11/2007	<u>S(2)</u>	1,850	D	\$ 73.33	7,624.72	D	
Common Shares						10,279.478 <u>(3)</u>	I	by trustee of ESP

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	01/11/2007	(4)	M(1)	34,850	07/21/1997(5) 01/21/2007	Common Shares	34,850

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 01/16/2007

**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) The exercise of options reported in this Form 4 report were effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on June 12, 2006.
- (2) The sales of shares reported in this Form 4 report were effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on June 12, 2006.
- (3) These shares are held in the Eaton Savings Plan.
- (4) This field is not applicable.
- (5) 1997 Performance Options - 50% of these options vested when a market price goal for Eaton shares was met. The remaining 50% vested on January 11, 2007 (10 days before the expiration of their ten-year term).

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.