EATON CORP Form 4 March 01, 2007

FORM 4

OMB APPROVAL

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

OMB 3235-0287 Number:

Check this box if no longer subject to Section 16.

January 31, Expires: 2005

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES**

Estimated average burden hours per response... 0.5

Form 4 or Form 5 obligations may continue. See Instruction

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

1(b).

(Print or Type Responses)

| 1. Name and Address of Reporting Person * CUTLER ALEXANDER M | 2. Issuer Name and Ticker or Trading Symbol | 5. Relationship of Reporting Person(s) to Issuer | | |
|--|--|--|--|--|
| (Last) (First) (Middle) | EATON CORP [ETN] 3. Date of Earliest Transaction | (Check all applicable) | | |
| EATON CENTER, 1111 SUPERIOR AVE. | (Month/Day/Year) 02/27/2007 | _X_ Director 10% Owner _X_ Officer (give title below) Other (specification) Chairman and CEO; President | | |
| (Street) | 4. If Amendment, Date Original Filed(Month/Day/Year) | 6. Individual or Joint/Group Filing(Check Applicable Line) _X_ Form filed by One Reporting Person | | |
| CLEVELAND, OH 44114 | | Form filed by More than One Reporting Person | | |

| (City) | (State) | Zip) Table | e I - Non-D | erivative S | ecurit | ies Acq | quired, Disposed o | of, or Beneficial | lly 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. Securition(A) or Dis (D) (Instr. 3, 4 | sposed | of | 5. Amount of Securities Beneficially Owned Following | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
| | | | Code V | Amount | (A) or (D) | Price | Reported Transaction(s) (Instr. 3 and 4) | (msu. +) | (msu. 4) |
| Common Shares | 02/27/2007 | | A | 17,000 (1) | A | <u>(2)</u> | 213,658 (3) | D | |
| Common Shares | | | | | | | 15,933.154 (4) | I | by trustee of ESP |
| Common Shares | | | | | | | 1,000 (5) | I | by spouse |

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

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number.

5. Number of

6. Date Exercisable and

7. Title and Amount

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

| Derivative Security (Instr. 3) | Conversion or Exercise Price of Derivative Security | (Month/Day/Year) | Execution Date, if any (Month/Day/Year) | Transaction Code (Instr. 8) | Derivative Expiration Date Securities (Month/Day/Year) Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | | Underlying Securitie (Instr. 3 and 4) | | |
|--------------------------------------|---|------------------|---|-----------------------------------|---|------------------|---------------------------------------|------------------|------------------------|
| | | | | Code V | (A) (D) | Date Exercisable | Expiration Date | Title | Amou Numb Shares |
| Stock Option | \$ 80.81 | 02/27/2007 | | A | 140,000 | 02/27/2008(6) | 02/27/2017 | Common Shares | 140,0 |

Reporting Owners

| Reporting Owner Name / Address | Kelationships | | | | | | |
|---|---------------|-----------|-----------------------------|-------|--|--|--|
| • | Director | 10% Owner | Officer | Other | | | |
| CUTLER ALEXANDER M EATON CENTER 1111 SUPERIOR AVE. CLEVELAND, OH 44114 | X | | Chairman and CEO; President | | | | |

Signatures

1. Title of 2.

/s/ Claudia J. Taller as attorney-in-fact 03/01/2007

**Signature of Reporting Person Date

Explanation of Responses:

* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

3. Transaction Date 3A. Deemed

- ** 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 represent restricted shares issued under an Eaton Corporation stock plan and are subject to risk of forfeiture.
- (2) This field is not applicable.
- (3) Certain of these shares represent restricted shares issued under an Eaton Corporation stock plan and are subject to risk of forfeiture.
- (4) These shares are held in the Eaton Savings Plan.
- (5) These shares are held in an Ohio Uniform Gifts for Minors account for a child of which Mr. Cutler's spouse is the custodian.
- (6) These options vest in four equal installments on February 27 of the years 2008, 2009, 2010 and 2011.

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.

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