EATON CORP Form 4 January 23, 2008

FORM 4

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

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 * CUTLER ALEXANDER M

2. Issuer Name and Ticker or Trading Symbol

EATON CORP [ETN]

3. Date of Earliest Transaction

(Last) (First) (Middle)

(Month/Day/Year)

EATON CENTER, 1111 SUPERIOR 01/18/2008 AVE.

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to

Issuer

(Check all applicable)

OMB APPROVAL

3235-0287

January 31,

2005

0.5

OMB

Number:

Expires:

response...

Estimated average

burden hours per

X Director 10% Owner Other (specify X_ Officer (give title below)

Chairman and CEO; President

6. Individual or Joint/Group Filing(Check

Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting

Person

CLEVELAND, OH 44114

(City)	(State) (Zip) Tabl	e I - Non-D	erivative	Secur	ities Acq	uired, Disposed o	f, or Beneficial	ly Owned
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transactio Code (Instr. 8)	4. Securities Acquired ion(A) or Disposed of (D) (Instr. 3, 4 and 5)		5. Amount of Securities Beneficially Owned Following Reported	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)	
			Code V	Amount	or	Price	Transaction(s) (Instr. 3 and 4)		
Common Shares	01/18/2008	<u>(1)</u>	M(2)	8,470	A	\$ 38.05	219,168	D	
Common Shares	01/18/2008	<u>(1)</u>	S(3)	200	D	\$ 80.72	218,968	D	
Common Shares	01/18/2008	<u>(1)</u>	S(3)	800	D	\$ 80.77	218,168	D	
Common Shares	01/18/2008	<u>(1)</u>	S(3)	1,010	D	\$ 80.83	217,158	D	
Common Shares	01/18/2008	<u>(1)</u>	S(3)	200	D	\$ 81.06	216,958	D	

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Common Shares	01/18/2008	<u>(1)</u>	S(3)	200	D	\$ 81.09	216,758	D	
Common Shares	01/18/2008	<u>(1)</u>	S(3)	100	D	\$ 81.18	216,658	D	
Common Shares	01/18/2008	<u>(1)</u>	S(3)	100	D	\$ 81.22	216,558	D	
Common Shares	01/18/2008	<u>(1)</u>	S(3)	200	D	\$ 81.55	216,358	D	
Common Shares	01/18/2008	<u>(1)</u>	S(3)	200	D	\$ 81.59	216,158	D	
Common Shares	01/18/2008	<u>(1)</u>	S(3)	400	D	\$ 81.65	215,758	D	
Common Shares	01/18/2008	<u>(1)</u>	S(3)	400	D	\$ 81.71	215,358	D	
Common Shares	01/18/2008	<u>(1)</u>	S(3)	200	D	\$ 81.72	215,158	D	
Common Shares	01/18/2008	<u>(1)</u>	S(3)	400	D	\$ 81.74	214,758	D	
Common Shares	01/18/2008	<u>(1)</u>	S(3)	600	D	\$ 81.89	214,158	D	
Common Shares	01/18/2008	<u>(1)</u>	S(3)	100	D	\$ 81.9	214,058	D	
Common Shares	01/18/2008	<u>(1)</u>	S(3)	200	D	\$ 81.94	213,858	D	
Common Shares	01/18/2008	<u>(1)</u>	S(3)	100	D	\$ 81.95	213,758	D	
Common Shares	01/18/2008	<u>(1)</u>	S(3)	400	D	\$ 81.98	213,358	D	
Common Shares							16,175.217	I	by trustee of ESP (4)
Common Shares							1,000	I	by spouse (5)

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)

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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. Transactic Code (Instr. 8)	omf Derivative		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)	
				Code V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock Option	\$ 38.05	01/18/2008	<u>(1)</u>	M(2)		8,470	07/27/1998(6)	01/27/2008	Common Shares	8,470

Reporting Owners

Reporting Owner Name / Address	Relationships							
Topolong of the Fund of Fundament	Director	10% Owner	Officer	Other				
CUTLER ALEXANDER M EATON CENTER 1111 SUPERIOR AVE. CLEVELAND, OH 44114	X		Chairman and CEO; President					

Signatures

/s/Kathleen S. O'Connor, as
Attorney-in-Fact

**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) The exercise of options reported in this Form 4 was effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on June 14, 2007.
- (3) The sales of shares reported in this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on June 14, 2007.
- (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) 1998 Performance Options 50% of these options vested when a market price goal for Eaton shares was met. The remaining 50% vested on January 17, 2008 (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.

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