EATON CORP Form 4 April 01, 2008

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

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)			EATON CORP [ETN] 3. Date of Earliest Transaction	(Check all applicable)		
EATON CEN	NTER, 1111	SUPERIOR	(Month/Day/Year) 03/28/2008	_X_ Director 10% Owner _X_ Officer (give title Other (specify below)		
AVE.	(Street)		4. If Amendment, Date Original	Chairman and CEO; President 6. Individual or Joint/Group Filing(Check		
			Filed(Month/Day/Year)	Applicable Line) _X_ Form filed by One Reporting Person		
CLEVELAN	D, OH 44114	4		Form filed by More than One Reporting Person		

(City)	(State)	(Zip) Ta	ble I - Non	-Derivative Secu	rities	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 Accordisposed of (D) (Instr. 3, 4 and 5	•	(A) or	5. Amount of 6. Securities Ownership Beneficially Form: Owned Direct (D) Following or Indirect	7. Nature of Indirect Beneficial Ownership (Instr. 4)	
			Code V	Amount	(A) or (D)	Price	Reported Transaction(s) (Instr. 3 and 4)	(I) (Instr. 4)	
Common Shares	03/28/2008		M	157,557.336 (1)	A	<u>(2)</u>	378,562.336	D	
Common Shares	03/28/2008		F	60,659 (3)	D	\$ 79.72	317,902 <u>(4)</u>	D	
Common Shares							16,353.589 (5)	I	by trustee of ESP
Common Shares							1,000 (6)	I	by spouse

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

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(9-02)

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. Transactio Code (Instr. 8)	5. Number of on Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		(Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)	
	·			Code V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount Number Shares
Phantom Shares	\$ 0	03/28/2008		M		157,557.336	(8)	(8)	Common Shares	157,55

Reporting Owners

Reporting Owner Name / Address	Relationships						
FB	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 04/01/2008

**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 common shares were acquired upon settlement of certain Phantom Share Units. Such Phantom Share Units were held by the reporting person in an account maintained under one or more of the issuer's deferred compensation plans.
- (2) Each Phantom Share Unit is the economic equivalent of one common share of the issuer.
- (3) These shares were delivered to the issuer to pay for the applicable withholding tax in connection with the settlement of certain Phantom Share Units.
- (4) Aggregate holdings have been adjusted to reflect the cash-out of fractional shares in connection with the settlement of certain Phantom Share Units.
- (5) These shares are held in the Eaton Savings Plan.
- (6) These shares are held in an Ohio Uniform Gifts for Minors account for a child of which Mr. Cutler's spouse is the custodian.
- (7) These Phantom Share Units were surrendered in settlement for common shares of the issuer.

Reporting Owners 2

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(8) This field is not applicable.

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.