EATON CORP Form 4 March 22, 2010

FORM 4

OMB APPROVAL

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

OMB Number: 3235-0287

Check this box if no longer subject to Section 16.

Expires: January 31, 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 Addi CRAIG ARNO	ress of Reporting Person * OLD	2. Issuer Name and Ticker or Trading Symbol EATON CORP [ETN]	5. Relationship of Reporting Person(s) to Issuer (Check all applicable)			
(Last)	(First) (Middle)	3. Date of Earliest Transaction				
		(Month/Day/Year)	Director 10% Owner			
EATON CENTER, 1111 SUPERIOR AVE.		03/18/2010	X Officer (give title Other (specify below) VC & COO-Industrial Sector			
	(Street)	4. If Amendment, Date Original	6. Individual or Joint/Group Filing(Check			
		Filed(Month/Day/Year)	Applicable Line) _X_ Form filed by One Reporting Person			
CLEVELAND	O, OH 44114		Form filed by More than One Reporting Person			

(City)	(State)	(Zip) 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)	Code (Instr. 8)	4. Securities A orDisposed of (E) (Instr. 3, 4 and	(A) or	` ,	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)
Common Shares	03/18/2010		Code V M	Amount 38,272.023 (1)	(D)	Price (2)	97,848.023	D	
Common Shares	03/18/2010		F	14,734 (3)	D	\$ 73.94	83,113 (4)	D	
Common Shares							65.169 <u>(5)</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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number.

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 ctionDerivative Securities Acquired 8) (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)	
	ý			Code V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Phantom Shares	<u>(2)</u>	03/18/2010		M		38,272.023 (6)	<u>(7)</u>	<u>(7)</u>	Common Shares	38,272.0

Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

CRAIG ARNOLD EATON CENTER 1111 SUPERIOR AVE. CLEVELAND, OH 44114

VC & COO-Industrial Sector

Signatures

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

03/22/2010

**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 Phantom Share Units were surrendered in settlement for common shares of the issuer.
- (7) 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.

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