**EATON CORP** Form 4 April 01, 2008

## FORM 4

#### **OMB APPROVAL**

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

**OMB** 3235-0287

Check this box if no longer subject to Section 16.

Number: 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 Add FEARON RIC	^	rting Person *	2. Issuer Name <b>and</b> Ticker or Trading Symbol EATON CORP [ETN]	5. Relationship of Reporting Person(s) to Issuer			
(Last)	(First)	(Middle)	3. Date of Earliest Transaction	(Check all applicable)			
EATON CEN AVE.	TER, 1111	SUPERIOR	(Month/Day/Year) 03/28/2008	Director 10% Owner Selection Officer (give title Other (specify below)			
	(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			
CLEVELANI	O, OH 4411	4		Form filed by More than One Reporting Person			

(City)	(State)	(Zip) Ta	ble I - Non	-Derivative Sec	curitie	s Acquire	ed, Disposed of, o	r Beneficially	Owned
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transactic Code (Instr. 8)	4. Securities A orDisposed of (E (Instr. 3, 4 and	)	d (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	03/28/2008		M	42,587.481 (1)	A	<u>(2)</u>	106,407.481	D	
Common Shares	03/28/2008		F	16,396 <u>(3)</u>	D	\$ 79.72	90,011 (4)	D	

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 orDerivative 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)	
				Code V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number or Shares
Phantom Shares	\$ 0	03/28/2008		M		42,587.481 (5)	<u>(6)</u>	<u>(6)</u>	Common Shares	42,587.4

## **Reporting Owners**

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

FEARON RICHARD H EATON CENTER 1111 SUPERIOR AVE. CLEVELAND, OH 44114

Exec VP-CFO & Planning Officer

## **Signatures**

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

04/01/2008

Date

\*\*Signature of Reporting Person

## **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).
- 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 Phantom Share Units were surrendered in settlement for common shares of the issuer.
- (6) 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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