EATON CORP
Form 4
February 16, 2011

FORM 4

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

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person *
CRAIG ARNOLD

(Last) (First) (Middle)

EATON CENTER, 1111 SUPERIOR AVE.

(Street)

CLEVELAND, OH 44114

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
EATON CORP [ETN]

3. Date of Earliest Transaction (Month/Day/Year)
02/14/2011

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
VC & COO-Industrial Sector

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

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)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			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)
			Code	V	Amount	(A) or (D)	Price			
Common Shares	02/14/2011		M		1,692	A	$ 59.07	72,401	D	
Common Shares	02/14/2011		S		1,692	D	$ 112.685 (1)	70,709	D	
Common Shares	02/14/2011		M		42,308	A	$ 59.07	113,017	D	
Common Shares	02/14/2011		S		38,935	D	$ 112.192 (2)	74,082	D	
	02/14/2011		S		3,373	D		70,709	D	

Common Shares		$ 112.77 (3)			
Common Shares			65.813 (4)	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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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 Derivative 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 of Shares
Stock Option	$ 59.07	02/14/2011		M			1,692	02/24/2005	02/24/2014	Common Shares	1,692
Stock Option	$ 59.07	02/14/2011		M			42,308	02/24/2005	02/24/2014	Common Shares	42,308

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	02/16/2011
**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) Price reported constitutes the average weighted price of shares sold. Shares were sold at varying prices in the range of $112.63 - $112.795. The reporting person hereby undertakes, upon request of the Commission, the issuer or a security holder of the issuer, to provide full information regarding the number of shares sold at each separate price.

(2) Price reported constitutes the average weighted price of shares sold. Shares were sold at varying prices in the range of $111.734 - $112.72. The reporting person hereby undertakes, upon request of the Commission, the issuer or a security holder of the issuer, to provide full information regarding the number of shares sold at each separate price.

(3) Price reported constitutes the average weighted price of shares sold. Shares were sold at varying prices in the range of $112.73 - $112.82. The reporting person hereby undertakes, upon request of the Commission, the issuer or a security holder of the issuer, to provide full information regarding the number of shares sold at each separate price.

(4) These shares are held in the Eaton Savings Plan.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
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