

EATON CORP
Form 3
May 11, 2006

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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INITIAL STATEMENT OF 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 * | | 2. Date of Event Requiring Statement | 3. Issuer Name and Ticker or Trading Symbol | |
| Â Holder Richard D | | (Month/Day/Year) | EATON CORP [ETN] | |
| (Last) | (First) | (Middle) | 4. Relationship of Reporting Person(s) to Issuer | 5. If Amendment, Date Original Filed(Month/Day/Year) |
| | | 05/01/2006 | | |
| EATON CENTER,Â 1111 SUPERIOR AVENUE | | | (Check all applicable) | |
| (Street) | | | <input type="checkbox"/> Director | <input type="checkbox"/> 10% Owner |
| | | | <input checked="" type="checkbox"/> Officer | <input type="checkbox"/> Other |
| CLEVELAND,Â OHÂ 44114 | | | (give title below) | (specify below) |
| (City) | (State) | (Zip) | VP-Eaton Business System | 6. Individual or Joint/Group Filing(Check Applicable Line) |
| | | | | <input checked="" type="checkbox"/> Form filed by One Reporting Person |
| | | | | <input type="checkbox"/> Form filed by More than One Reporting Person |

Table I - Non-Derivative Securities Beneficially Owned

| 1. Title of Security (Instr. 4) | 2. Amount of Securities Beneficially Owned (Instr. 4) | 3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5) | 4. Nature of Indirect Beneficial Ownership (Instr. 5) |
|------------------------------------|--|---|--|
| Common Shares | 5,400 ⁽¹⁾ | D | Â |

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

SEC 1473 (7-02)

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 4) | 2. Date Exercisable and Expiration Date (Month/Day/Year) | 3. Title and Amount of Securities Underlying Derivative Security (Instr. 4) | 4. Conversion or Exercise Price of Derivative Security | 5. Ownership Form of Derivative Security: Direct (D) | 6. Nature of Indirect Beneficial Ownership (Instr. 5) |
|---|---|--|--|---|--|
| | Date Exercisable | Title | | | |

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| | | Expiration Date | | Amount or Number of Shares | | or Indirect (I) (Instr. 5) | |
|--------------|------------------------------|-----------------|---------------|----------------------------|----------|----------------------------|---|
| Stock Option | 02/26/2003 ⁽¹⁾⁽²⁾ | 02/26/2012 | Common Shares | 16,000 | \$ 40.6 | D | Â |
| Stock Option | 02/25/2004 ⁽¹⁾⁽²⁾ | 02/25/2013 | Common Shares | 8,000 | \$ 34.65 | D | Â |
| Stock Option | 02/24/2005 ⁽¹⁾⁽²⁾ | 02/24/2014 | Common Shares | 10,000 | \$ 59.07 | D | Â |
| Stock Option | 02/22/2006 ⁽¹⁾⁽²⁾ | 02/22/2015 | Common Shares | 9,000 | \$ 68.22 | D | Â |
| Stock Option | 02/21/2007 ⁽¹⁾⁽²⁾ | 02/21/2016 | Common Shares | 7,000 | \$ 68.62 | D | Â |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|----------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Holder Richard D EATON CENTER 1111 SUPERIOR AVENUE CLEVELAND, OH 44114 | Â | Â | Â VP-Eaton Business System | Â |

Signatures

/s/ Claudia Taller, as attorney
in fact

05/11/2006

__Signature of Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 5(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) Certain of these shares represent restricted shares issued under an Eaton Corporation stock plan and are subject to risk of forfeiture.

These options combined grants of Non-Qualified Stock Options and Incentive Stock Options. Thirty-five percent (35%) of the

(2) Non-Qualified Stock Options become exercisable on the first and second anniversaries of the date granted and thirty percent (30%) on the third anniversary of the date granted. The Incentive Stock Options are exercisable in their entirety three years from the date of grant.

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.