

McGill James W
Form 4
October 26, 2010

FORM 4

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

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).

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

(Print or Type Responses)

1. Name and Address of Reporting Person *
McGill James W

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)
EATON CENTER, 1111 SUPERIOR AVE.

3. Date of Earliest Transaction (Month/Day/Year)
10/22/2010

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)

EVP - Human Resources

(Street)

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

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

CLEVELAND, OH 44114

(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)	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	10/22/2010		S		4,000	D	\$ 87.88 (1)
Common Shares	10/22/2010		M		5,544	A	\$ 34.65
Common Shares	10/22/2010		S		5,544	D	\$ 87.79 (2)
Common Shares	10/22/2010		M		6,538	A	\$ 40.6
	10/22/2010		S		6,538	D	40,821

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Common Shares						\$ 87.78 (3)			
Common Shares	10/22/2010		M	11,258	A	\$ 36.47	52,079		D
Common Shares	10/22/2010		S	11,258	D	\$ 87.81 (4)	40,821		D
Common Shares	10/22/2010		F	1,136 (5)	D	\$ 87.92	39,685		D
Common Shares	10/22/2010		F	1,137 (5)	D	\$ 87.9	38,548		D
Common Shares	10/22/2010		F	1,125 (5)	D	\$ 87.95	37,423		D
Common Shares	10/22/2010		M	2,856	A	\$ 34.65	40,279		D
Common Shares	10/22/2010		M	2,462	A	\$ 40.6	42,741		D
Common Shares	10/22/2010		M	2,741	A	\$ 36.47	45,482		D
Common Shares							4,250.35 (6)		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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(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. 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)	Amount or Number of Shares	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	
Stock Option	\$ 36.47	10/22/2010		M	11,258	02/27/2002	02/27/2011	Common Shares	11,258

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Stock Option	\$ 36.47	10/22/2010	M	2,741	02/27/2002	02/27/2011	Common Shares	2,741
Stock Option	\$ 40.6	10/22/2010	M	6,538	02/26/2003	02/26/2012	Common Shares	6,538
Stock Option	\$ 40.6	10/22/2010	M	2,462	02/26/2003	02/26/2012	Common Shares	2,462
Stock Option	\$ 34.65	10/22/2010	M	5,544	02/25/2004	02/25/2013	Common Shares	5,544
Stock Option	\$ 34.65	10/22/2010	M	2,856	02/25/2004	02/25/2013	Common Shares	2,856

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
McGill James W EATON CENTER 1111 SUPERIOR AVE. CLEVELAND, OH 44114			EVP - Human Resources	

Signatures

/s/Kathleen S. O'Connor, as
Attorney-in-Fact
Date: 10/26/2010

**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) Price reported constitutes the average weighted price of shares sold. Shares were sold at varying prices in the range of \$87.87 - \$87.89. 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 \$87.78 - \$87.81. 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 \$87.77 - \$87.83. 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) Price reported constitutes the average weighted price of shares sold. Shares were sold at varying prices in the range of \$87.81 - \$87.845. 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.
 - (5) These shares were delivered to the issuer to pay for the applicable option exercise price.
 - (6) 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. 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.