

KERN R. FRANKLIN III  
 Form 4  
 May 10, 2011

**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 \*  
**KERN R. FRANKLIN III**

2. Issuer Name and Ticker or Trading Symbol  
**INTERNATIONAL BUSINESS MACHINES CORP [IBM]**

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
**IBM CORPORATION, ONE NORTH CASTLE DRIVE**

3. Date of Earliest Transaction (Month/Day/Year)  
**05/06/2011**

\_\_\_ Director \_\_\_ 10% Owner  
 Officer (give title below) \_\_\_ Other (specify below)  
**Senior Vice President**

(Street)  
**ARMONK, NY 10504**

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

(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)
				(A) or (D) Code V Amount (D) Price			
Common Stock	05/08/2011		M	2,243 A \$ 0	3,198	D	
Common Stock	05/08/2011		M	2,632 A \$ 0	5,830	D	
Common Stock	05/08/2011		F	1,008 D \$ 169.21	4,822	D	
Common Stock	05/08/2011		F	1,183 D \$ 169.21	3,639	D	

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)	8. Price or Value of Underlying Securities (Instr. 3 and 4)
Rst. Stock Unit	\$ 0 <sup>(1)</sup>	05/08/2011		M <sup>(2)</sup>	2,632	<sup>(1)</sup> / <sup>(1)</sup>	Common Stock	2,632 \$
Rst. Stock Unit	\$ 0 <sup>(1)</sup>	05/08/2011		M <sup>(2)</sup>	2,243	<sup>(1)</sup> / <sup>(1)</sup>	Common Stock	2,243 \$
Phantom Stock Unit	\$ 0 <sup>(3)</sup>	05/06/2011		A <sup>(4)</sup>	20	<sup>(5)</sup> / <sup>(5)</sup>	Common Stock	20 \$

## Reporting Owners

**Reporting Owner Name / Address**

**Relationships**

Director     10% Owner     Officer     Other

KERN R. FRANKLIN III  
IBM CORPORATION  
ONE NORTH CASTLE DRIVE  
ARMONK, NY 10504

Senior  
Vice  
President

## Signatures

D. Cummins on behalf of R. F. Kern III     05/10/2011

\*\*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).

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- (1) These units were payable in cash or the company's common stock upon the lapse of the restrictions on the transaction date shown.
- (2) Release of restricted stock units.
- (3) Phantom stock units convert to the cash value of the company's common stock on a one-for-one basis.
- (4) Acquisition of phantom stock units under the IBM Excess 401(k) Plus Plan.
- (5) Distribution of phantom stock units under the IBM Excess 401(k) Plus Plan is deferred until separation from the company. The reporting person may transfer these phantom stock units into an alternative investment account under such 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.