#### KERN R. FRANKLIN III

Form 4

August 02, 2010

### FORM 4

# UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

if no longer subject to Section 16. Form 4 or Form 5

obligations

Check this box

### 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

may continue. See Instruction

1(b).

(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]

3. Date of Earliest Transaction

(Last) (First) (Middle)

IBM CORPORATION, ONE NORTH CASTLE DRIVE

> (Street) 4. If Amendment, Date Original

> > Filed(Month/Day/Year)

(Month/Day/Year)

07/30/2010

5. Relationship of Reporting Person(s) to

Issuer

(Check all applicable)

OMB

Number:

Expires:

response...

**OMB APPROVAL** 

Estimated average

burden hours per

3235-0287

January 31,

2005

0.5

Director 10% Owner X\_ Officer (give title Other (specify

below)

Senior Vice President

6. Individual or Joint/Group Filing(Check

Applicable Line)

\_X\_ Form filed by One Reporting Person Form filed by More than One Reporting

| ΔRN | MONK.    | NV | 1050/     |
|-----|----------|----|-----------|
| ANI | VICTINE. |    | 1 (7.)(74 |

| (City)                               | (State)                                 | (Zip) Tal   | ble I - Non-                            | -Derivativ | e Secu | rities Acquire   | ed, Disposed of, o   | or Beneficially   | y Owned |
|--------------------------------------|---|---|---|------------|--------|--|--|---|---------|
| 1.Title of<br>Security<br>(Instr. 3) | 2. Transaction Date<br>(Month/Day/Year) | 2A. Deemed<br>Execution Date, if<br>any<br>(Month/Day/Year) | 3.<br>Transaction<br>Code<br>(Instr. 8) | , ,        |        | 5. Amount of<br>Securities<br>Beneficially<br>Owned<br>Following<br>Reported<br>Transaction(s) | Ownership<br>Form:<br>Direct (D)<br>or Indirect<br>(I)<br>(Instr. 4) | 7. Nature of<br>Indirect<br>Beneficial<br>Ownership<br>(Instr. 4) |         |
|                                      |   |   | Code V                                  | Amount     | (D)    | Price  | (Instr. 3 and 4)   |   |         |
| Common<br>Stock                      | 07/30/2010                              |   | M                                       | 955        | A      | \$ 104.71  | 36,510   | D   |         |
| Common<br>Stock                      | 07/30/2010                              |   | M                                       | 24,245     | A      | \$ 104.71  | 60,755   | D   |         |
| Common<br>Stock                      | 07/30/2010                              |   | S                                       | 100        | D      | \$ 127.92  | 60,655   | D   |         |
| Common<br>Stock                      | 07/30/2010                              |   | S                                       | 900        | D      | \$ 127.93  | 59,755   | D   |         |
| Common<br>Stock                      | 07/30/2010                              |   | S                                       | 400        | D      | \$ 127.94  | 59,355   | D   |         |

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| Common<br>Stock | 07/30/2010 | S | 1,445 | D | \$ 127.95      | 57,910 | D |
|-----------------|------------|---|-------|---|----------------|--------|---|
| Common<br>Stock | 07/30/2010 | S | 600   | D | \$ 127.96      | 57,310 | D |
| Common<br>Stock | 07/30/2010 | S | 400   | D | \$ 127.97      | 56,910 | D |
| Common<br>Stock | 07/30/2010 | S | 500   | D | \$ 127.98      | 56,410 | D |
| Common<br>Stock | 07/30/2010 | S | 100   | D | \$<br>127.9806 | 56,310 | D |
| Common<br>Stock | 07/30/2010 | S | 100   | D | \$ 127.99      | 56,210 | D |
| Common<br>Stock | 07/30/2010 | S | 1,100 | D | \$ 128         | 55,110 | D |
| Common<br>Stock | 07/30/2010 | S | 100   | D | \$<br>128.0094 | 55,010 | D |
| Common<br>Stock | 07/30/2010 | S | 600   | D | \$ 128.01      | 54,410 | D |
| Common<br>Stock | 07/30/2010 | S | 300   | D | \$ 128.02      | 54,110 | D |
| Common<br>Stock | 07/30/2010 | S | 300   | D | \$ 128.03      | 53,810 | D |
| Common<br>Stock | 07/30/2010 | S | 900   | D | \$ 128.05      | 52,910 | D |
| Common<br>Stock | 07/30/2010 | S | 900   | D | \$ 128.06      | 52,010 | D |
| Common<br>Stock | 07/30/2010 | S | 100   | D | \$ 128.07      | 51,910 | D |
| Common<br>Stock | 07/30/2010 | S | 100   | D | \$ 128.09      | 51,810 | D |

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

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.

SEC 1474 (9-02)

 $\label{thm:convertible} \begin{tabular}{ll} Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned \\ (e.g., puts, calls, warrants, options, convertible securities) \end{tabular}$ 

| 1. Title of | 2.          | 3. Transaction Date | 3A. Deemed         | 4.         | 5. Number of | 6. Date Exercisable and | 7. Title and Amount o        |
|-------------|-------------|---------------------|--------------------|------------|--------------|-------------------------|------------------------------|
| Derivative  | Conversion  | (Month/Day/Year)    | Execution Date, if | Transactio | onDerivative | Expiration Date         | <b>Underlying Securities</b> |
| Security    | or Exercise |                     | any                | Code       | Securities   | (Month/Day/Year)        | (Instr. 3 and 4)             |
| (Instr. 3)  | Price of    |                     | (Month/Day/Year)   | (Instr. 8) | Acquired (A) |                         |                              |

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|  | Derivative<br>Security |            |      |   | (D) | isposed of<br>r. 3, 4, | of               |                    |                 |                                    |
|--|------------------------|------------|------|---|-----|------------------------|------------------|--------------------|-----------------|------------------------------------|
|  |                        |            | Code | V | (A) | (D)                    | Date Exercisable | Expiration<br>Date | Title           | Amount<br>or<br>Number<br>of Share |
| Emp.<br>Stock<br>Option<br>(right to<br>buy) | \$ 104.71              | 07/30/2010 | M    |   |     | 24,245                 | 02/27/2005(1)    | 02/26/2011         | Common<br>Stock | 24,24;                             |
| Emp. Stock Option (right to buy)             | \$ 104.71              | 07/30/2010 | M    |   |     | 955                    | 02/27/2005(1)    | 02/26/2011         | Common<br>Stock | 955                                |

## **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<br>Vice<br>President |       |  |  |  |

# **Signatures**

D. Cummins on behalf of R. F. Kern III 08/02/2010

\*\*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) This grant vested in four equal annual installments; the last installment vested on the date shown above.

#### **Remarks:**

Additional transactions will be shown on a subsequent Form 4.

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.

Reporting Owners 3