#### KELLY JOHN E III

Form 4

February 01, 2011

### FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

**SECURITIES** 

**OMB APPROVAL OMB** 

3235-0287 Number:

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if no longer subject to Section 16. Form 4 or

Check this box

Form 5 obligations may continue. See Instruction

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

1(b). (Print or Type Responses)

(Last)

(City)

1. Name and Address of Reporting Person \* KELLY JOHN E III

2. Issuer Name and Ticker or Trading Symbol

5. Relationship of Reporting Person(s) to Issuer

INTERNATIONAL BUSINESS

(Check all applicable)

MACHINES CORP [IBM]

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

01/31/2011

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

Senior Vice President

IBM CORPORATION, P.O. BOX

(First)

(Middle)

(Zip)

218

4. If Amendment, Date Original

6. Individual or Joint/Group Filing(Check

Applicable Line)

Filed(Month/Day/Year)

\_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

YORKTOWN HEIGHTS, NY 10598

(State)

(Street)

	140	Tuble 1 Non Derivative Securities required, Disposed 61, 61 Denoticiany 6 whea								
2. Transaction Date	2A. Deemed	3.	4. Securi	ties A	cquired	5. Amount of	6.	7. Nature of		
(Month/Day/Year)	Execution Date, if	Transaction(A) or Disposed of (D)				Securities	Ownership	Indirect		
	any	Code (Instr. 3, 4 and 5)			Beneficially	Form: Direct	Beneficial			
	(Month/Day/Year)	(Instr. 8)				Owned	(D) or	Ownership		
						Following	Indirect (I)	(Instr. 4)		
				( 4 )		Reported	(Instr. 4)			
						Transaction(s)				
		C 1 W			ъ.	(Instr. 3 and 4)				
		Code V	Amount	(D)	Price					
01/31/2011		M	955	A	\$ 104.71	24,633.109	D			
	(Month/Day/Year)	2. Transaction Date 2A. Deemed (Month/Day/Year) Execution Date, if any (Month/Day/Year)	2. Transaction Date 2A. Deemed 3.  (Month/Day/Year) Execution Date, if any Code (Month/Day/Year) (Instr. 8)  Code V	2. Transaction Date (Month/Day/Year)	2. Transaction Date (Month/Day/Year) 2A. Deemed 3. 4. Securities A (Month/Day/Year) Execution Date, if any (Month/Day/Year) (Code (Instr. 3, 4 and (Instr. 8)) (A) or Code V Amount (D)	2. Transaction Date (Month/Day/Year)  2. Transaction Date (Month/Day/Year)  Execution Date, if any (Month/Day/Year)  (Month/Day/Year)  (Month/Day/Year)  (A) or Code V Amount (D) Price	2. Transaction Date   2A. Deemed   3.   4. Securities Acquired   5. Amount of   Securities   Sec	2. Transaction Date (Month/Day/Year)    (Instr. 8)    (A)		

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

Persons who respond to the collection of SEC 1474 information contained in this form are not (9-02)required to respond unless the form displays a currently valid OMB control number.

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

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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. 5. Number Transactionof Code Derivative (Instr. 8) 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
Emp. Stock Option (right to buy)	\$ 104.71	01/31/2011		M	955	02/27/2005(1)	02/26/2011	Common Stock	955

# **Reporting Owners**

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

KELLY JOHN E III IBM CORPORATION P.O. BOX 218 YORKTOWN HEIGHTS, NY 10598

Senior Vice President

Signatures

D. Cummins on behalf of J. E. Kelly III

02/01/2011

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

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 2