

KERN R. FRANKLIN III
Form 4
August 02, 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 *
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)
 Director 10% Owner
 Officer (give title below) Other (specify below)
Senior Vice President

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

3. Date of Earliest Transaction (Month/Day/Year)
07/30/2010

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 Ownership (Instr. 4)		
				Code	V	Amount				(A) or (D)	Price
Common Stock	07/30/2010		M			955	A	\$ 104.71	36,510	D	
Common Stock	07/30/2010		M			24,245	A	\$ 104.71	60,755	D	
Common Stock	07/30/2010		S			100	D	\$ 127.92	60,655	D	
Common Stock	07/30/2010		S			900	D	\$ 127.93	59,755	D	
Common Stock	07/30/2010		S			400	D	\$ 127.94	59,355	D	

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

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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	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)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)
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Derivative Security				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Emp. Stock Option (right to buy)	\$ 104.71	07/30/2010		M				02/27/2005 ⁽¹⁾	02/26/2011	Common Stock	24,245
Emp. Stock Option (right to buy)	\$ 104.71	07/30/2010		M				02/27/2005 ⁽¹⁾	02/26/2011	Common 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 Vice 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.