

CHEN JAMES L M
Form 4
August 22, 2006

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 *
CHEN JAMES L M

2. Issuer Name and Ticker or Trading Symbol
DIEBOLD INC [DBD]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)
08/18/2006

___ Director ___ 10% Owner
 Officer (give title below) ___ Other (specify below)
VP&Managing Dir.Asia-Pacific

C/O DIEBOLD, INCORPORATED, 5995 MAYFAIR ROAD

(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

NORTH CANTON, OH 44720

(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 | 08/18/2006 | | M | 2,500 A \$ 28.69 | 35,036 | D | |
| Common Stock | 08/18/2006 | | S | 2,300 D \$ 41.84 | 32,736 | D | |
| Common Stock | 08/18/2006 | | S | 200 D \$ 41.98 | 32,536 ⁽¹⁾ | D | |

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

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SEC 1474 (9-02)

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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 Security (Instr. 3 and 4) | Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|
| Non-Qualified Stock Option | \$ 28.69 | 08/18/2006 | | M | 2,500 | 02/07/2002 02/06/2011 | Common Stock | 2,500 |
| Non-Qualified Stock Option | \$ 36.59 | | | | | 02/06/2003 02/05/2012 | Common Stock | 7,500 |
| Non-Qualified Stock Option | \$ 36.31 | | | | | 02/05/2004 02/04/2013 | Common Stock | 10,000 |
| Non-Qualified Stock Option | \$ 53.1 | | | | | 02/11/2005 02/10/2014 | Common Stock | 8,000 |
| Non-Qualified Stock Option | \$ 55.23 | | | | | 02/10/2006 02/09/2015 | Common Stock | 8,000 |
| Non-Qualified Stock Option | \$ 39.43 | | | | | 02/20/2007 02/19/2016 | Common Stock | 8,000 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|------------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| CHEN JAMES L M C/O DIEBOLD, INCORPORATED 5995 MAYFAIR ROAD NORTH CANTON, OH 44720 | | | VP&Managing Dir.Asia-Pacific | |

Signatures

Chad F. Hesse, Att'y.-in-fact for James L.M.
Chen 08/22/2006

__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) Includes award of restricted stock units; each restricted stock unit represents a contingent right to receive one share of Diebold, Incorporated common stock.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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