INTERNATIONAL BUSINESS MACHINES CORP
Form 4
September 04, 2007

# FORM 4

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

**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

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).

(Print or Type Responses)

1. Name and Address of Reporting Person *
Shaughnessy Timothy S

(Last) (First) (Middle)

IBM CORPORATION, NEW ORCHARD ROAD

(Street)

ARMONK, NY 10504

(City) (State) (Zip)

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

3. Date of Earliest Transaction (Month/Day/Year)
08/31/2007

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
VP, Controller

6. Individual or Joint/Group Filing(Check Applicable Line)
_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**

| 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) |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Code | V | Amount | (A) or (D) | Price | | | |

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)

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

| 1. Title of Derivative | 2. Conversion | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if | 4. Transaction | 5. Number of Derivative | 6. Date Exercisable and Expiration Date | 7. Title and Amount of Underlying Securities | 8. Pr Deri |
|---|---|---|---|---|---|---|---|---|

| Security (Instr. 3) | or Exercise Price of Derivative Security | | any (Month/Day/Year) | Code (Instr. 8) | Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | | (Month/Day/Year) | | (Instr. 3 and 4) | | Secu (Inst |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Code V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares | |
| Phantom Stock Unit | $ 0 (1) | 08/31/2007 | | A(2) | 6 | | (3) | (3) | Common Stock | 6 | S |
| Phantom Stock Unit | $ 0 (1) | 08/31/2007 | | A(2) | 3 | | (3) | (3) | Common Stock | 3 | S |
| Rst. Stock Unit | $ 0 (5) | 08/31/2007 | | A(5) | 19,418 | | (5) | (5) | Common Stock | 19,418 | S |
| Rst. Stock Unit | $ 0 (6) | 08/31/2007 | | A(6) | 4,515 | | (6) | (6) | Common Stock | 4,515 | S |

# Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---|---|---|---|
| | Director | 10% Owner | Officer | Other |
| Shaughnessy Timothy S<br>IBM CORPORATION, NEW ORCHARD ROAD<br>ARMONK, NY 10504 | | | VP, Controller | |

# Signatures

| | |
|---|---|
| M. SooHoo for T. S. Shaughnessy by power-of-attorney | 09/04/2007 |
| **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)** Phantom stock units convert to the cash value of the company's common stock on a one-for-one basis.

**(2)** Acquisition of phantom stock units under the IBM Executive Deferred Compensation Plan.

**(3)** Distribution of phantom stock units under the IBM Executive Deferred Compensation Plan is deferred until separation from the company.

**(4)** The reporting person disclaims beneficial ownership of the securities, and this report shall not be deemed an admission that the reporting person is the beneficial owner of such securities for purposes of Section 16 or for any other purpose.

**(5)** These units are payable in cash or the company's common stock upon the lapse of the restrictions on 08/31/2012.

**(6)**

Upon lapse of the restrictions, these units are payable in cash or the company's common stock. The restrictions lapse for 1,505 of these units on 08/31/2008, for 1,505 of these units on 08/31/2009, and for the remaining 1,505 of these units on 08/31/2010.

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.