

KERN R. FRANKLIN III  
 Form 4  
 May 09, 2008

**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, C/O SECRETARY'S OFFICE, NEW ORCHARD ROAD**  
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)  
**05/08/2008**

**ARMONK, NY 10504**  
 (City) (State) (Zip)

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

**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 Ownership (Instr. 4)
				(A) or (D)	Price		
Common Stock	05/08/2008		M	2,187	A \$ 0	35,513.171	D
Common Stock	05/08/2008		F	740	D \$ 124.46	34,773.171	D
Common Stock						110	I <sup>(1)</sup> daughter

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**

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 Securities (Instr. 3 and 4)	8. Amount or Number of Shares
Rst. Stock Unit	\$ 0 <sup>(2)</sup>	05/08/2008		A <sup>(2)</sup>	6,729	<sup>(2)</sup> / <sup>(2)</sup>	Common Stock	6,729
Rst. Stock Unit	\$ 0 <sup>(3)</sup>	05/08/2008		M <sup>(4)</sup>	2,187	<sup>(3)</sup> / <sup>(3)</sup>	Common Stock	2,187

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
KERN R. FRANKLIN III IBM CORPORATION C/O SECRETARY'S OFFICE, NEW ORCHARD ROAD ARMONK, NY 10504			Senior Vice President	

## Signatures

D. Cummins for R. F. Kern III by power-of-attorney 05/09/2008

\_\_\_\_ 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) 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.
- (2) Upon lapse of the restrictions, these units are payable in cash or the company's common stock. The restrictions lapse for 2,243 of these units on 05/08/2009, for 2,243 of these units on 05/08/2010, and for the remaining 2,243 of these units on 05/08/2011.
- (3) These units were payable in cash or the company's common stock upon the lapse of the restrictions on the transaction date shown.
- (4) Release of restricted stock units.

## Edgar Filing: KERN R. FRANKLIN III - 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.  
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