Arnold Colleen F. Form 4 May 09, 2011

FORM 4

OMB APPROVAL

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

OMB 3235-0287 Number:

if no longer subject to Section 16. Form 4 or

Check this box

January 31, Expires: 2005

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES**

Estimated average burden hours per response... 0.5

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).

(Last)

(City)

SOMERS, NY 10589

(Print or Type Responses)

1. Name and Address of Reporting Person * 2. Issuer Name and Ticker or Trading Arnold Colleen F. Symbol

5. Relationship of Reporting Person(s) to

Issuer

INTERNATIONAL BUSINESS MACHINES CORP [IBM]

(Check all applicable)

Senior Vice President

(Middle)

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

05/05/2011

Director 10% Owner X_ Officer (give title Other (specify below)

IBM CORPORATION, 294 ROUTE

(Street)

(State)

(First)

100

4. If Amendment, Date Original 6. Individual or Joint/Group Filing(Check

Filed(Month/Day/Year) Applicable Line)

X Form filed by One Reporting Person Form filed by More than One Reporting

(Zip)

Person

| T | able I - Non-Derivative S | Securities Acquired, Dist | posed of, or Beneficially Owne | d |
|---|---------------------------|-----------------------------|--------------------------------|----|
| | ubic I from Delivative b | occurrences ricquireu, Disp | posed of, of Deficiently Owne | •• |

| | | | | | | | - | · • | • | • |
|--------------------------------------|---|---|---|---|--------|--|---|---|-------------------|----------|
| 1.Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. 4. Securities Acquired Transaction(A) or Disposed of (D) Code (Instr. 3, 4 and 5) (Instr. 8) | | | 5. Amount of Securities Beneficially Owned Following | 6. Ownership Form: Direct (D) or Indirect | 7. Nature of Indirect Beneficial Ownership (Instr. 4) | | |
| | | | Code | V | Amount | (A) or (D) | Price | Reported Transaction(s) (Instr. 3 and 4) | (I) (Instr. 4) | |
| Common Stock | 05/08/2011 | | M | | 2,369 | A | \$0 | 29,373.9101 | D | |
| Common Stock | 05/08/2011 | | F | | 1,076 | D | \$ 169.21 | 28,297.9101 | D | |
| Common Stock | 05/05/2011 | | G | V | 280 | D | \$ 0 | 3,524 | I (1) (4) | trust |
| Common Stock | 05/05/2011 | | A | | 140 | A | \$ 0 | 370 | I (1) | son |
| Common Stock | 05/05/2011 | | A | | 140 | A | \$0 | 370 | I (1) | daughter |

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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 Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | Code | 5. Number of onDerivative 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. Prio Deriv Secur (Instr. |
|---|---|---|--------|--|-------|--|--------------------|---|--|--------------------------------------|
| | | | Code V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares | |
| Rst. Stock Unit | \$ 0 (2) | 05/08/2011 | M(3) | | 2,369 | (2) | (2) | Common Stock | 2,369 | \$ |
| Phantom Stock Unit | \$ 0 (5) | 05/06/2011 | A(6) | 16 | | <u>(7)</u> | <u>(7)</u> | Common Stock | 16 | \$ |

Reporting Owners

| Reporting Owner Name / Address | Relationships |
|--------------------------------|---------------|
|--------------------------------|---------------|

Director 10% Owner Officer Other

Arnold Colleen F. IBM CORPORATION 294 ROUTE 100 SOMERS, NY 10589

Senior Vice President

Signatures

D. Cummins on behalf of C. F. Arnold 05/09/2011

**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) 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) These units were payable in cash or the company's common stock upon the lapse of the restrictions on the transaction date shown.

Reporting Owners 2

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- (3) Release of restricted stock units.
- (4) The Form 4 filed on May 5, 2011 understated this amount by 280 shares. The column directly above was overstated by the same amount. The current amount of securities beneficially owned in these columns are reflected in this Form 4.
- (5) Phantom stock units convert to the cash value of the company's common stock on a one-for-one basis.
- (6) Acquisition of phantom stock units under the IBM Excess 401(k) Plus Plan.
- (7) Distribution of phantom stock units under the IBM Excess 401(k) Plus Plan is deferred until separation from the company. The reporting person may transfer these phantom stock units into an alternative investment account under such plan.

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.