

KERN R. FRANKLIN III
 Form 4
 August 04, 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)
08/03/2010

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 Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | | (A) or (D) | Price | | |
| | | | | Code | V | Amount | |
| Common Stock | 08/03/2010 | | S | 100 | D | \$ 130.23 | 36,410 D |
| Common Stock | 08/03/2010 | | S | 200 | D | \$ 130.23 | 36,210 D |
| Common Stock | 08/03/2010 | | S | 100 | D | \$ 130.24 | 36,110 D |
| Common Stock | 08/03/2010 | | S | 100 | D | \$ 130.27 | 36,010 D |
| Common Stock | 08/03/2010 | | S | 200 | D | \$ 130.27 | 35,810 D |

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| | | | | | | | |
|--------------|------------|---|-------|---|-----------|--------|---|
| Common Stock | 08/03/2010 | S | 100 | D | \$ 130.3 | 35,710 | D |
| Common Stock | 08/03/2010 | S | 100 | D | \$ 130.31 | 35,610 | D |
| Common Stock | 08/03/2010 | S | 100 | D | \$ 130.32 | 35,510 | D |
| Common Stock | 08/03/2010 | S | 200 | D | \$ 130.33 | 35,310 | D |
| Common Stock | 08/03/2010 | S | 300 | D | \$ 130.33 | 35,010 | D |
| Common Stock | 08/03/2010 | S | 200 | D | \$ 130.34 | 34,810 | D |
| Common Stock | 08/03/2010 | S | 500 | D | \$ 130.34 | 34,310 | D |
| Common Stock | 08/03/2010 | S | 200 | D | \$ 130.35 | 34,110 | D |
| Common Stock | 08/03/2010 | S | 500 | D | \$ 130.35 | 33,610 | D |
| Common Stock | 08/03/2010 | S | 700 | D | \$ 130.36 | 32,910 | D |
| Common Stock | 08/03/2010 | S | 1,700 | D | \$ 130.36 | 31,210 | D |
| Common Stock | 08/03/2010 | S | 6,942 | D | \$ 130.37 | 24,268 | D |
| Common Stock | 08/03/2010 | S | 8,913 | D | \$ 130.37 | 15,355 | D |
| Common Stock | 08/03/2010 | S | 900 | D | \$ 130.38 | 14,455 | D |
| Common Stock | 08/03/2010 | S | 1,100 | D | \$ 130.38 | 13,355 | 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 | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities | 8. Price of Derivative Security (Instr. 5) | 9. Nu Deriv Secur Bene |
|--|------------------------------------|--------------------------------------|--|--------------------------------|-------------------------|--|--|--|------------------------|
|--|------------------------------------|--------------------------------------|--|--------------------------------|-------------------------|--|--|--|------------------------|

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| | | | | | |
|------------------------|---|---------------------|---|-------|--|
| Derivative Security | Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | (Instr. 3 and 4) | Own Follo Repo Trans (Instr | | |
| Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |

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

08/04/2010

___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).

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.