

SULLIVAN JOHN L III
Form 4
June 17, 2010

FORM 4

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

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

OMB APPROVAL

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(Print or Type Responses)

1. Name and Address of Reporting Person *
SULLIVAN JOHN L III

(Last) (First) (Middle)

112 BRIDGE STREET

(Street)

NAUGATUCK, CT 06770

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading
Symbol
EASTERN CO [EML]

3. Date of Earliest Transaction
(Month/Day/Year)
06/15/2010

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)

Vice President & CFO

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 |
| Common Stock ⁽¹⁾ | 06/15/2010 | | F | | 18,750 | D | \$ 14.25 |
| Common Stock ⁽²⁾ | 06/15/2010 | | M | | 30,000 | A | \$ 9.5 |
| | | | | | 30,610 | | |

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

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(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) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| | | | | Code | V (A) (D) | Date Exercisable Expiration Date | Title Amount or Number of Shares |
| Qualified employee stock option ⁽³⁾ | \$ 9.5 | 06/15/2010 | | M | 30,000 | ⁽³⁾ 07/19/2000 | Common Stock 30,000 |
| Qualified employee stock option ⁽⁴⁾ | \$ 9.6 | 04/26/2001 | | A | 0 | ⁽⁴⁾ 04/26/2011 | Common Stock 22,500 |

Reporting Owners

| Reporting Owner Name / Address | Relationships |
|---|----------------------------------|
| | Director 10% Owner Officer Other |
| SULLIVAN JOHN L III 112 BRIDGE STREET NAUGATUCK, CT 06770 | Vice President & CFO |

Signatures

/s/John L.
Sullivan III 06/17/2010

 **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).

(1) 18,750 shares of previously acquired Eastern Company stock were surrendered to Eastern Treasury at the closing price on June 14, 2010 of \$14.25 per share, for the purchase of stock options by Mr. Sullivan.

(2) 30,000 shares were exercised on June 15, 2010 at \$9.50 per share by Mr. Sullivan. The original 7/19/2000 option was for 20,000 shares at \$14.25 per share. 4,810 shares were vested on 1/1/2001; 7,017 shares were vested on 1/1/2002; 7,017 shares were vested on 1/1/2003 and the remaining 1,156 shares were vested on 1/1/2004. As a result of a 3-for-2 stock split effective 10/18/2006, this option is now 30,000 shares at \$9.50 per share.

(3) The original 7/19/2000 option was for 20,000 shares at \$14.25 per share. 4,810 shares were vested on 1/1/2001; 7,017 shares were vested on 1/1/2002; 7,017 shares were vested on 1/1/2003 and the remaining 1,156 shares were vested on 1/1/2004. As a result of a 3-for-2 stock split effective 10/18/2006, this option is now 30,000 shares at \$9.50 per share. On June 15, 2010 30,000 shares were exercised at \$9.50

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per share, leaving a zero balance.

- (4) The original 4/26/2001 option was for 15,000 shares at \$14.40 per share. 5,800 shares were vested on 1/1/2004; 6,944 shares were vested on 1/1/2005; and the remaining 2,256 shares were vested on 1/1/2006. As a result of a 3-for-2 stock split effective 10/18/2006 this option is now for 22,500 shares at \$9.60 per share.

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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