

INTERNATIONAL BUSINESS MACHINES CORP
 Form 4
 November 01, 2016

FORM 4

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

OMB APPROVAL

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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 *
KAVANAUGH JAMES J

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

5. Relationship of Reporting Person(s) to Issuer
 (Check all applicable)

(Last) (First) (Middle)
IBM CORPORATION, ONE NEW ORCHARD ROAD
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
10/31/2016

____ Director
 ____ Officer (give title below) _____ 10% Owner
 ____ Other (specify below)
Senior Vice President

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 Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)		
				(A) or (D)	Code	V	Amount	(D)	Price

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

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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	6. Date Exercisable and Expiration Date	7. Title and Amount of Underlying Securities	8. Price of Derivative
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Security (Instr. 3)	or Exercise Price of Derivative Security	any (Month/Day/Year)	Code (Instr. 8)	of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	(Month/Day/Year)	(Instr. 3 and 4)	Security (Instr. 5)	
			Code V	(A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Phantom Stock Unit	\$ 0 ⁽¹⁾	10/31/2016	A ⁽²⁾	6	⁽³⁾	⁽³⁾	Common Stock	6 \$ 153.69

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
KAVANAUGH JAMES J IBM CORPORATION ONE NEW ORCHARD ROAD ARMONK, NY 10504			Senior Vice President	

Signatures

A. Gomes da Silva on behalf of J. J. Kavanaugh
Date: 11/01/2016

**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 Excess 401(k) Plus Plan.
- (3) 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. ckground: transparent"> Exclusive of a transition period from July 1, 2004 to October 15, 2004 related to the change in trustees, Company matching contributions are invested in the Company's common stock. (g) **Payment of Benefits** Participants are entitled to receive benefit payments in the form of a lump-sum payment, an annuity or installment equal to 100% of their accrued benefit upon attainment of age 59½, termination of employment, or upon death or disability. The accrued benefit includes the sum of the value of participants contributions, allocation of earnings (losses), and the vested portion of Company contributions. (h) **Forfeited Accounts** If a participant is not 100% vested and receives a distribution of Company contributions, the dollars left in the Plan are called forfeitures. Unused forfeitures totaled approximately \$89,000 and \$7,900 at December 31, 2005

and 2004, respectively. Forfeiture allocations from Company discretionary contributions are used to reduce future Company discretionary contributions. There were no forfeiture amounts used for future Company discretionary contributions during 2005 or 2004. Forfeiture allocations from Company match contributions are used to reduce future Company match contributions. In 2005 and 2004 the amount of forfeitures used for Company match contributions was approximately \$42,800 and \$107,300, respectively. *(i) Loans to Participants* The Plan permits loans to participants in an amount not to exceed the lesser of \$50,000 or 50% of their vested account balance. Loan terms range from one to five years. The loans are secured by the participant's account balance. Interest rates on participant's loans range from 5% to 8.75% at December 31, 2005 and 5% to 10.5% at December 31, 2004. Principal and interest is paid ratably through regular payroll deductions.

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PROLOGIS
401(k) SAVINGS PLAN
Notes to Financial Statements Continued

(j) *Hardship Withdrawals*

Participants may receive hardship withdrawals for reasons of financial hardship. Contributions from participants receiving a hardship withdrawal are disallowed for six months following the receipt of the hardship withdrawal.

(2) Summary of Significant Accounting Policies

(a) *Basis of Accounting*

The financial statements of the Plan are prepared using the accrual basis of accounting.

(b) *Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions and deductions in net assets during the reporting period. Actual results may differ from those estimates.

(c) *Investment Valuation and Income Recognition*

Mutual funds and common stocks are stated at fair value based upon quoted market prices. The common collective trust is stated at net asset value at year end. Participant loans are stated at cost, which approximates their fair value. The ProLogis common stock was in a unitized fund prior to July 1, 2004.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

(d) *Net Appreciation (Depreciation) in Fair Value of Investments*

Net realized and unrealized gains and losses, as reported in the accompanying statement of changes in net assets available for plan benefits, is the cumulative difference between the fair value and the related cost of the Plan's investments. Such income (loss) is allocated to participants' accounts based on relative participant account balances.

(e) *Administrative Expenses and Distributions*

The majority of administrative expenses of the Plan are paid by the Company. Unless paid by the Company, such expenses will be a charge upon Plan assets and deducted by the trustee to the extent permitted by applicable law. Distributions are recorded when paid.

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PROLOGIS
401(k) SAVINGS PLAN
Notes to Financial Statements Continued

(3) Investments

The fair values of investments that represent 5% or more of the Plan's net assets at December 31, 2005 and 2004 are as follows:

	2005	2004
ProLogis common stock	\$ 12,504,391	\$ 6,975,645
Vanguard Balanced Index Fund Investors Shares	1,436,121	1,338,609
Vanguard Growth Index Fund Investors Shares	3,283,053	3,104,531
Vanguard Value Index Fund Investors Shares	1,430,688	1,256,457
Vanguard 500 Index Fund Investors Shares	1,281,631	1,227,611
PIMCO Total Return Fund	*	1,059,455

* Not greater than 5% of net assets at respective year end.

During the years ended December 31, 2005 and 2004, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value as follows:

	2005	2004
Mutual funds	\$ 543,610	\$ 1,093,053
ProLogis common stock	608,225	1,898,781
Self directed brokerage account	49,163	27,552
	\$ 1,200,998	\$ 3,019,386

(4) Nonparticipant-Directed Investments

The Company common stock is an investment option that contains both participant-directed and nonparticipant-directed activity. Information about the net assets and the significant components of the changes in net assets relating to this investment option is as follows:

	2005	2004
Net assets:		
ProLogis common stock	\$ 12,504,391	\$ 6,975,645
Changes in net assets:		
Employer contributions	\$ 797,651	\$ 502,810
Participant contributions, including loan repayments	144,304	62,801
Net appreciation in fair value	608,225	1,898,781
Interest and dividends	246,307	115,576
Asset transfers in (see Note 1(b))	4,376,408	
Benefits paid to participants	(629,933)	(345,804)
Net interfund transfers	(13,816)	(236,006)
Administrative expenses	(400)	(830)
	\$ 5,528,746	\$ 1,997,328

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PROLOGIS
401(k) SAVINGS PLAN
Notes to Financial Statements Continued

(5) Plan Termination

Although the Company has not expressed any intention to terminate the Plan, it may do so at any time. In the event of termination of the Plan, participants will become fully vested in their accounts and the Plan's trustee would distribute the assets in the Plan to participants.

Additionally, the Plan's sponsor may amend the Plan at any time without the consent of any participant or any beneficiary, provided that no amendment deprives any participant of the participant's vested accrued benefit.

(6) Tax Status

The Internal Revenue Service has determined and informed the Company by a letter dated April 10, 2002 that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC). Although the Plan has been subsequently amended, the plan administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore, the plan administrator believes that the Plan is qualified and the related trust is tax-exempt as of December 31, 2005 and 2004.

(7) Related Party Transactions

Certain Plan investments represent shares of a common collective trust, common stock, self directed brokerage account and mutual funds managed by Vanguard Fiduciary Trust Company (Vanguard) as of December 31, 2005 and 2004, respectively. Vanguard is the trustee as defined by the Plan and therefore, these investments and investment transactions qualify as parties-in-interest transactions.

Certain Plan investments represent shares of common stock of the Company as of December 31, 2005 and 2004. The Company is the plan sponsor as defined by the Plan and therefore, these investments and investment transactions qualify as parties-in-interest transactions.

(8) Risks and Uncertainties

The Plan provides for various investment options in stocks and other investment securities. Investment securities, in general, are exposed to various risks such as, significant world events, interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for plan benefits and the statements of changes in net assets available for plan benefits.

The Plan has a concentration of investments in ProLogis common stock. A change in the value of the Company common stock could cause the value of the Plan's net assets available for plan benefits to change due to this concentration.

(9) Subsequent Events

The Catellus Plan merged into the Plan effective January 3, 2006. See note 1(b) for further description.

The Plan was amended effective June 1, 2006 to allow participants to transfer all or a portion of their vested company matching contributions from ProLogis common stock to other available investment options, subject to trading windows.

Table of Contents**Schedule 1****PROLOGIS
401(k) SAVINGS PLAN**

Schedule H, Line 4i Schedule of Assets (Held at End of Year)

December 31, 2005

Identity of party involved/ description of asset	Cost (a)	Current value
ProLogis common stock*	\$ 6,390,680	\$ 12,504,391
Common Collective Trust: Vanguard Retirement Savings Trust*		732,831
Mutual Funds:		
ABN AMRO Growth*		18,925
Amer Beacon International*		221,852
Amer Beacon Sm Cp Val Inst*		103,539
Ariel Appreciation*		48,047
Artisan International*		14,116
Cohen & Steers Realty*		92,065
Davis New York Venture*		205,859
Harbor Capital Appreciation*		55,159
Hotchkis Mid Cap Value*		294,251
ICAP: Equity*		11,740
Julius Baer Int l Eq. Fund*		267,271
PIMCO: Emerging Companies Fund*		69,476
PIMCO: CCM Mid-Cap Fund*		96,184
PIMCO Total Return Fund*		1,168,704
Third Avenue Small-Cap Value Fund*		106,326
Turner Midcap Growth Fund*		21,964
Turner SmallCap Growth Fund*		22,070
UAM Funds, Inc.: C&B Mid Cap Equity Portfolio*		48,347
Vanguard 500 Index Fund Investors Shares*		1,281,631
Vanguard Balanced Index Fund Investors Shares*		1,436,121
Vanguard Growth Index Fund Investors Shares*		3,283,053
Vanguard Intermediate-Term Bond Index Fund*		238,302
Vanguard Mid-Cap Index Fund*		406,831
Vanguard REIT Index Fund*		503,662
Vanguard Sm-Cap Growth Index*		587,919
Vanguard Sm-Cap Value Index*		82,891
Vanguard Target Retirement 2005*		300,661
Vanguard Target Retirement 2015*		8,185
Vanguard Target Retirement 2025*		475,217
Vanguard Target Retirement 2035*		730,308
Vanguard Target Retirement 2045*		133,515
Vanguard Target Retirement Income*		5,582
Vanguard Total International Stock Index*		718,739
Vanguard Value Index Fund Investors Shares*		1,430,688

Total mutual funds 14,489,200

* Represents a party-in-interest transaction.

(a) Cost information is omitted for investments that are fully participant-directed.

See accompanying report of independent registered public accounting firm.

(Continued)

Table of Contents**Schedule 1****PROLOGIS
401(k) SAVINGS PLAN**Schedule H, Line 4i Schedule of Assets (Held at End of Year)
December 31, 2005

Identity of party involved/ description of asset	Cost (a)	Current value
Self Directed Brokerage Account VGI Brokerage Option:*		
Common Stocks:		
Calpine Corp Com*		208
Cimarex Energy Co Com*		129,032
Corning Inc Com*		1,966
Crucell N V Sponsored ADR*		5,120
Deep Field Technologies*		17
Dell Inc Com*		4,498
Ebay Inc Com*		4,325
EMC Corp (Mass) Com*		4,086
Google Inc Cl A		41,486
Intel Corp Com*		3,804
Invoice Technology Inc Cl A*		5
Ivoice Inc Com*		135
JDS Uniphase Corp*		472
Monterey Pasta Co*		3,627
Mylan Laboratories Inc*		3,992
Omnicare Inc Com*		5,722
Pfizer Inc*		6,763
Powerwave Technologies Inc Com*		3,142
Qualcomm Inc*		6,462
Research in Motion Ltd Com*		9,241
Sabmiller PLC Sponsored ADR*		5,610
Siebel Sys Inc Com*		1,592
Speechswitch Inc Cl A*		10
Starbucks Corp*		4,501
Stryker Corp*		3,999
Teva Pharmaceutical Industries Ltd ADR*		4,301
Trey Res Inc Cl A*		2
Wireless Facs Inc Com*		1,275
XM Satellite Radio Hlds Inc Cl A*		8,184
Mutual Funds:		
Wells Fargo Government Money Market Fund*		32,791
Artisan International Fund*		16,402
Baron Small Cap Fund*		38,556
Old Mutual Large Cap Growth*		16,252
PIMCO Commodity Real Return Strategy Fund*		62,273
Selected American Shares, Inc.*		20,627
TCW Galileo, Inc., TCW Galileo Select*		20,217

Total self directed brokerage account	470,695
Participant Loans, 5% to 8.75%*	485,216
Total investments, at fair value	\$ 28,682,333

* Represents a party-in-interest transaction.

(a) Cost information is omitted for investments that are fully participant-directed.

See accompanying report of independent registered public accounting firm.

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Schedule 2

PROLOGIS
401(k) SAVINGS PLAN

Schedule H, Line 4j Schedule of Reportable Transactions
Year ended December 31, 2005

Identity of party involved	Description of asset	Purchase transactions		Sales transactions		Net realized gain
		Cost of purchases	Proceeds from sales	Cost of assets sold	Current value of asset on transaction date	
ProLogis	Common stock	\$5,650,543	\$	\$	\$ 5,650,543	\$
ProLogis	Common stock	\$	\$730,021	\$456,873	\$ 730,021	\$273,148

See accompanying report of independent registered public accounting firm.

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Management Development and Compensation Committee of the ProLogis 401(k) Savings Plan has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

ProLogis 401(k) Savings
Plan

(Name of Plan)

Dated: July 14, 2006

By: /s/ Dessa M. Bokides

Dessa M. Bokides

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EXHIBIT INDEX

Exhibit No.	Description
Exhibit 23.2	Consent of Independent Registered Public Accounting Firm

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