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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

FORM 4

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

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

☐ Check this box if no longer  
subject to Section 16.  
Form 4 or Form 5  
obligations may continue.  
See Instruction 1(b)

<b>1. Name and Address of Reporting Person*</b> <i>(Last, First, Middle)</i>  Pelson, Victor A.    UBS Warburg LLC 299 Park Avenue  <i>(Street)</i>  New York, NY 10171 <i>(City) (State) (Zip)</i>	<b>2. Issuer Name and Ticker or Trading Symbol</b>  Eaton Corporation (ETN)  <b>4. Statement for</b> <i>(Month/Day/Year)</i>  12/31/02  <b>6. Relationship of Reporting Person(s) to Issuer</b> <i>(Check All Applicable)</i>  <input checked="" type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input type="checkbox"/> Officer <i>(give title below)</i> <input type="checkbox"/> Other <i>(specify below)</i>  _____	<b>3. I.R.S. Identification Number of Reporting Person, if an entity</b> <i>(Voluntary)</i>    <b>5. If Amendment, Date of Original</b> <i>(Month/Day/Year)</i>    <b>7. Individual or Joint/Group Filing</b> <i>(Check Applicable Line)</i>  <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person
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Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

\* If the form is filed by more than one reporting person, see instruction 4(b)(v).

Table I — Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

[illegible]

**Table II — Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(*e.g.*, puts, calls, warrants, options, convertible securities)

[illegible]

Table II — Derivative Securities Acquired, Disposed of, or Beneficially Owned — Continued  
(e.g., puts, calls, warrants, options, convertible securities)[illegible]

### Explanation of Responses:

1. Phantom Share Units allocated to the account of the reporting person pursuant to the 1996 Non-Employee Director Fee Deferral Plan.

\*/s/ Victor A. Pelson

1/3/2003

\*\*Signature of Reporting Person

Date \_\_\_\_\_

**\*By /s/ Claudia J. Taller  
as Attorney-in-Fact**

\*\*) Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff (a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.