

EASTERN CO
Form 5
January 16, 2007

FORM 5

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

OMB APPROVAL

OMB Number: 3235-0362
Expires: January 31, 2005
Estimated average burden hours per response... 1.0

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).
Form 3 Holdings Reported Form 4 Transactions Reported

ANNUAL 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

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

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)
Vice President & CFO

(Last) (First) (Middle)
112 BRIDGE STREET
(Street)

3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)
12/31/2006

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Reporting (check applicable line)

NAUGATUCK, CT 06770

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) | (A) or (D) | 5. Amount or Price | 5. Amount of Securities Beneficially Owned at end of Issuer's Fiscal Year (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|------------|-------------------------|--|--|-----------------------------------|
| Common Stock ⁽¹⁾ | 01/16/2007 | Â | A | 202 | A | \$ ⁽¹⁾ 7,389 | | D | Â |

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 2270 (9-02)

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

Edgar Filing: EASTERN CO - Form 5

| 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) | |
|--|--|--------------------------------------|--|--------------------------------|---|-----|--|-----------------|---|----------------------------|
| | | | | | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| Qualified employee stock option <u>(2)</u> | \$ 7.95 | 12/16/1997 | Â | A | 0 | Â | 12/16/1997 | 12/16/2007 | Common Stock | 7,500 |
| Qualified employee stock option <u>(3)</u> | \$ 12.33 | 07/21/1999 | Â | A | 0 | Â | Â <u>(3)</u> | 07/21/2009 | Common Stock | 18,750 |
| Non-qualified employee stock option <u>(4)</u> | \$ 10.17 | 12/15/1999 | Â | A | 0 | Â | 12/15/1999 | 12/15/2009 | Common Stock | 15,000 |
| Qualified employee stock option <u>(5)</u> | \$ 9.5 | 07/19/2000 | Â | A | 0 | Â | Â <u>(5)</u> | 07/19/2010 | Common Stock | 30,000 |
| Qualified employee stock option <u>(6)</u> | \$ 9.6 | 04/26/2001 | Â | A | 0 | Â | Â <u>(6)</u> | 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 | Â | Â | Â Vice President & CFO | Â |

Signatures

/s/ John L. Sullivan III 01/16/2007

**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) 4,791 shares at end of 2005, as a result of a 3-for-2 stock split effective 10/18/2006, are now 7,186 shares plus 202 shares acquired at various prices during 2006 under The Eastern Company Dividend Investment Plan and The Eastern Company Employee Stock Purchase Plan. (Discrepancy due to fractional share.)

Original 12/16/1997 option was for 5,000 shares at \$17.875 per share. As a result of a 3-for-2 stock split effective 5/28/1999 this option became an option for 7,500 shares at \$11.92 per share. On 5/4/2004 Mr. Sullivan exercised 2,500 shares, and this became an option for 5,000 shares at \$11.92 per share. As a of a 3-for-2 stock split effective 10/18/2006, this option is now an option for 7,500 shares at \$7.95 per share.
 - (2) Original 7/21/1999 option was for 12,500 shares at \$18.50 per share. 5,400 shares were vested on date of grant 7/21/1999; 5,400 shares were vested on 1/1/2000 and the remaining 1,700 shares were vested on 1/1/2001. As a result of a 3-for-2 stock split effective 10/18/2006 this option is now for 18,750 shares at \$12.33 per share.
 - (3) Original 12/15/1999 option was for 10,000 shares at \$15.25 per share. As a result of a 3-for-2 stock split effective 10/18/2006 this option is now for 15,000 shares at \$10.17 per share.
 - (4) 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 for 30,000 shares at \$9.50 per share.
 - (5) 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 provided 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.