

MCMILLEN RUSSELL G
Form 4
August 25, 2008

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 *
MCMILLEN RUSSELL G

(Last) (First) (Middle)

BANK OF AMERICA, N.A.
TRUSTEE, ONE EXCHANGE
PLACE, CT2-215-02-01

(Street)

WATERBURY, CT 06702

(City) (State) (Zip)

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

3. Date of Earliest Transaction
(Month/Day/Year)
08/21/2008

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)
Trustee for Russell McMillen

6. Individual or Joint/Group Filing(Check Applicable Line)
 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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | | (A) or (D) | Price | | |
| Common Stock <u>(1)</u> | 08/21/2008 | | F | V | 27,160 | D | |
| | | | | | \$ 14.75 | | |
| Common Stock <u>(2)</u> | 08/21/2008 | | M | A | 22,500 | D | |
| | | | | | \$ 9.33 | | |
| Common Stock <u>(3)</u> | 08/21/2008 | | M | A | 18,750 | D | |
| | | | | | \$ 10.17 | | |
| Common Stock | | | | | 7,300 | I | Josephine McMillen Irrevocable Trust |

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

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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 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 Security (Instr. 3 and 4) | 8. Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|
| Non-qualified stock options <u>(4)</u> | \$ 9.33 | 08/21/2008 | | M | 22,500 | 09/09/1998 10/09/2008 | Common Stock | 22,500 |
| Non-qualified stock options <u>(5)</u> | \$ 10.17 | 08/21/2008 | | M | 18,750 | 12/15/1999 01/15/2010 | Common Stock | 18,750 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------|------------------------------|
| | Director | 10% Owner | Officer | Other |
| MCMILLEN RUSSELL G BANK OF AMERICA, N.A. TRUSTEE ONE EXCHANGE PLACE, CT2-215-02-01 WATERBURY, CT 06702 | X | | | Trustee for Russell McMillen |

Signatures

/s/Bank of America N.A., Trustee U/A for Russell G. McMillen 10-7-92 as amended -
Richard P. Cella 08/25/2008

__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) 27,160 shares of previously acquired Eastern Company stock were surrendered to Eastern Treasury at the closing price on August 21, 2008 of \$14.75 per share, for the purchase of stock options by the Estate of Russell G. McMillen.
- (2) 22,500 shares exercised on August 21, 2008 at \$9.33 per share by the Estate of Russell G. McMillen. The original option on 9/9/1998 was for 10,000 shares at \$21.00 per share. As a result of a 3-for-2 stock split effective 5/19/1999 and a 3-for-2 stock split effective

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10/18/2006, this option is now 22,500 shares at \$9.33 per share.

(3) 18,750 shares exercised on August 21, 2008 at \$10.17 per share by the Estate of Russell G. McMillen. The original 12/15/1999 option was for 12,500 shares at \$15.25 per share. As a result of a 3-for-2 stock split effective 10/18/2006 this option is now 18,750 shares at \$10.17 per share.

(4) The original option on 9/9/1998 was for 10,000 shares at \$21.00 per share. As a result of a 3-for-2 stock split effective 5/19/1999 and a 3-for-2 stock split effective 10/18/2006, this option is now 22,500 shares at \$9.33 per share. On August 21, 2008, 22,500 shares were exercised at \$9.33 per share, leaving a zero balance.

(5) The original 12/15/1999 option was for 12,500 shares at \$15.25 per share. As a result of a 3-for-2 stock split effective 10/18/2006 this option is now 18,750 shares at \$10.17 per share. On August 21, 2008, 18,750 shares were exercised at \$10.17 per share, leaving a zero balance.

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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