#### MALCOLM STEVEN J

Form 4

February 25, 2009

### FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

**OMB** 

**OMB APPROVAL** 

Number:

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**SECURITIES** Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,

obligations Section 17(a) of the Public Utility Holding Company Act of 1935 or Section may continue. 30(h) of the Investment Company Act of 1940 See Instruction

(Middle)

1(b).

(Last)

(Print or Type Responses)

1. Name and Address of Reporting Person \*

(First)

(Street)

MALCOLM STEVEN J

2. Issuer Name and Ticker or Trading

Symbol

WILLIAMS COMPANIES INC

[WMB]

(Check all applicable)

Issuer

3. Date of Earliest Transaction

(Month/Day/Year) 02/23/2009

\_X\_\_ Director X\_ Officer (give title

10% Owner Other (specify

below)

President & CEO

ONE WILLIAMS CENTER

4. If Amendment, Date Original

Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check

5. Relationship of Reporting Person(s) to

Applicable Line)

\_X\_ Form filed by One Reporting Person Form filed by More than One Reporting

Person

**TULSA, OK 74172** 

(City) (State) (Zip)

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

1. Title of Security (Instr. 3)

2. Transaction Date 2A. Deemed (Month/Day/Year)

Execution Date, if

(Month/Day/Year)

3. 4. Securities TransactionAcquired (A) or Code Disposed of (D) (Instr. 3, 4 and 5) (Instr. 8)

5. Amount of Securities Beneficially Owned Following

6. Ownership 7. Nature of Form: Direct Indirect (D) or Indirect Beneficial Ownership (T) (Instr. 4) (Instr. 4)

Reported Transaction(s)

(A) Code V Amount (D) Price

(Instr. 3 and 4)

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

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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

Conversion or Exercise

3. Transaction Date 3A. Deemed (Month/Day/Year)

Execution Date, if any

4. 5. Number of **Transaction**Derivative Code Securities

6. Date Exercisable and **Expiration Date** (Month/Day/Year)

7. Title and Amount Underlying Securities (Instr. 3 and 4)

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(Instr. 3)	Price of Derivative Security		(Month/Day/Year)	(Instr. 8)	Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)				
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title	Amoun Numbe Shares
Restricted Stock Units (1)	\$ 10.86	02/23/2009		A	288,401	02/23/2012	02/23/2012	Common Stock	288,4
Restricted Stock Units (2)	\$ 10.86	02/23/2009		A	55,000	03/03/2009	03/03/2009	Common Stock	55,00
Employee Options (Right to Buy)	\$ 10.86	02/23/2009		A	169,429	02/23/2010	02/23/2019	Common Stock	169,4
Employee Options (Right to Buy)	\$ 10.86	02/23/2009		A	169,429	02/23/2011	02/23/2019	Common Stock	169,4
Employee Options (Right to Buy)	\$ 10.86	02/23/2009		A	169,429	02/23/2012	02/23/2019	Common Stock	169,4

# **Reporting Owners**

Relationships					
Director	10% Owner	Officer	Other		
X		President & CEO			
		Director 10% Owner	Director 10% Owner Officer		

## **Signatures**

Cher S. Lawrence, Attorney-in-Fact for Steven J.
Malcolm
02/25/2009

\*\*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).
- Vesting is subject to applicable grant agreement and compensation committee certification that the Company has met the three year performance measure. The specific performance measure will be based on total shareholder return with absolute and relative dependent measures.
- (2) Represents restricted stock units acquired pursuant to the 2006 performance-based grant agreement as a result of EVA attainment of 150%, as certified by the compensation committee.

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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.