

MALCOLM STEVEN J  
Form 4  
February 09, 2009

**FORM 4**

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

OMB APPROVAL

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

**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 \*  
MALCOLM STEVEN J

2. Issuer Name and Ticker or Trading Symbol  
WILLIAMS COMPANIES INC  
[WMB]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
ONE WILLIAMS CENTER  
(Street)

3. Date of Earliest Transaction (Month/Day/Year)  
02/05/2009

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

TULSA, OK 74172  
(City) (State) (Zip)

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

**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) Code V Amount Price			
Common Stock <sup>(1)</sup>	02/05/2009		M	50,000 A \$ 14.98	581,627	D	
Common Stock <sup>(1)</sup>	02/05/2009		F	15,975 D \$ 14.98	565,652	D	
Common Stock					46,680	I	By Trust <sup>(2)</sup>

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

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SEC 1474 (9-02)

number.

**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 Securities (Instr. 3 and 4)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount Number Shares
Restricted Stock Units <sup>(3)</sup>	\$ 14.98	02/05/2009		M		02/05/2009	02/05/2009	Common Stock	50,000
Employee Options (Right to Buy)	\$ 0	07/25/2008		J <sup>(4)</sup>		07/25/2008	07/25/2008	Comm	5,446
Employee Options (Right to Buy)	\$ 0	11/19/2008		J <sup>(4)</sup>		11/19/2008	11/19/2008	Common Stock	406,728

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MALCOLM STEVEN J ONE WILLIAMS CENTER TULSA, OK 74172	X		President & CEO	

## Signatures

Cher S. Lawrence, Attorney-in-Fact for Mr. Steven J. Malcolm  
02/09/2009

\_\_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).

- Payout of Restricted Stock Units (formerly referred to as Deferred Stock) in transaction exempt under Rules 16b-3(d) and 16b-6(b) of
- (1) 50,000 shares of common stock awarded under The Williams Companies, Inc. 2002 Incentive Plan of which 15,975 shares were withheld for taxes.
  - (2) Represents total shares of the Company's common stock held in The Investment Plus Plan.
  - (3)

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Vesting 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 an improvement in the Company's Economic Value Added over the three year period.

(4) Cancellation of stock options at no value to reporting person.

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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