

REED WILLIAM JR
Form 4
December 22, 2005

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 *
REED WILLIAM JR

2. Issuer Name and Ticker or Trading Symbol
WASHINGTON MUTUAL INC
["WM"]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)
12/20/2005

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

1301 5TH AVENUE #2800

(Street)

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

SEATTLE, WA 98101

(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) | 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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | Code | V | Amount | (A) or (D) | Price |
| Common | 12/21/2005 | | M | | 5,000 | A | \$ 39.53 |
| Common | 12/21/2005 | | M | | 6,000 | A | \$ 36.53 |
| Common | 12/21/2005 | | M | | 6,000 | A | \$ 30.79 |
| Common | 12/21/2005 | | M | | 6,000 | A | \$ 33.42 |
| Common | 12/21/2005 | | M | | 6,000 | A | \$ 16.96 |

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| | | | | | | | | |
|--------|------------|--|---|-------|---|----------|------------|---|
| Common | 12/21/2005 | | M | 4,500 | A | \$ 27.04 | 164,424.52 | D |
| Common | 12/21/2005 | | M | 4,500 | A | \$ 29.94 | 168,924.52 | D |
| Common | 12/21/2005 | | M | 2,250 | A | \$ 24.53 | 171,174.52 | D |
| Common | 12/21/2005 | | M | 2,250 | A | \$ 14 | 173,424.52 | D |

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 1474
(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 Securities (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| | | | | Code | V (A) (D) | Date Exercisable Expiration Date | Title Amount or Number of Shares |
| Phantom Stock ⁽¹⁾ | <u>(2)</u> | 12/20/2005 | | A | 203.25 | <u>(3)</u> <u>(3)</u> | Common 203.25 |
| Stock Option (Right to Buy) | \$ 14 | 12/21/2005 | | M | 2,250 | <u>(4)</u> 02/20/2006 | Common 2,250 |
| Stock Option (Right to Buy) | \$ 24.53 | 12/21/2005 | | M | 2,250 | <u>(4)</u> 02/18/2007 | Common 2,250 |
| Stock Option (Right to Buy) | \$ 29.94 | 12/21/2005 | | M | 4,500 | <u>(4)</u> 02/17/2008 | Common 4,500 |
| Stock Option (Right to Buy) | \$ 27.04 | 12/21/2005 | | M | 4,500 | <u>(4)</u> 02/16/2009 | Common 4,500 |
| Stock Option | \$ 16.96 | 12/21/2005 | | M | 6,000 | <u>(4)</u> 12/21/2009 | Common 6,000 |

(Right to Buy)

Stock

Option
(Right to Buy)

\$ 33.42

12/21/2005

M

6,000

(4)

12/19/2010

Common

6,000

Stock

Option
(Right to Buy)

\$ 30.79

12/21/2005

M

6,000

(4)

12/18/2011

Common

6,000

Stock

Option
(Right to Buy)

\$ 36.53

12/21/2005

M

6,000

(4)

12/17/2012

Common

6,000

Stock

Option
(Right to Buy)

\$ 39.53

12/21/2005

M

5,000

(4)

12/16/2013

Common

5,000

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| REED WILLIAM JR 1301 5TH AVENUE #2800 SEATTLE, WA 98101 | X | | | |

Signatures

By: /s/ Christopher J. Bellavia,
Attorney-in-Fact

12/22/2005

__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) Phantom stock shares acquired under the Washington Mutual, Inc. Deferred Compensation Plan through deferral of retainer.
- (2) Converts to common stock on a one-for-one basis.
- (3) Phantom stock distributed upon payment commencement date selected by the Reporting Person.
- (4) Grant of option pursuant to the Washington Mutual, Inc. 2003 Equity Incentive Plan; including predecessor plans. Option vested on the first anniversary of the grant date.

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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