

MALCOLM STEVEN J  
Form 4  
February 25, 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)

3. Date of Earliest Transaction  
(Month/Day/Year)  
02/23/2009

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

ONE WILLIAMS CENTER

(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

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 (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) |     |       |
|---------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|----------------------------------------------------------|-----------------------------------|-----|-------|
|                                 |                                      |                                                    |                                | (A) or (D)                                                        | Code                                                                                          | V                                                        | Amount                            | (D) | Price |

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

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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 | 2. Conversion or Exercise | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any | 4. Transaction Code | 5. Number of Derivative Securities | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of 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        | Amount Number Shares |
|---------------------------------------|------------------------------|------------------|------------|------------------------------------------------------|------|---|-----|-----|------------------|-----------------|--------------|----------------------|
| Restricted Stock Units <sup>(1)</sup> | \$ 10.86                     | 02/23/2009       | A          | 288,401                                              |      |   |     |     | 02/23/2012       | 02/23/2012      | Common Stock | 288,401              |
| Restricted Stock Units <sup>(2)</sup> | \$ 10.86                     | 02/23/2009       | A          | 55,000                                               |      |   |     |     | 03/03/2009       | 03/03/2009      | Common Stock | 55,000               |
| Employee Options (Right to Buy)       | \$ 10.86                     | 02/23/2009       | A          | 169,429                                              |      |   |     |     | 02/23/2010       | 02/23/2019      | Common Stock | 169,429              |
| Employee Options (Right to Buy)       | \$ 10.86                     | 02/23/2009       | A          | 169,429                                              |      |   |     |     | 02/23/2011       | 02/23/2019      | Common Stock | 169,429              |
| Employee Options (Right to Buy)       | \$ 10.86                     | 02/23/2009       | A          | 169,429                                              |      |   |     |     | 02/23/2012       | 02/23/2019      | Common Stock | 169,429              |

### Reporting Owners

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

### 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.
- (1) 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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