

MALCOLM STEVEN J  
Form 4  
December 08, 2010

**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)  
12/06/2010

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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
|                                 |                                      |  | Code                           | V   | Amount  | (A) or (D)   | Price   |
| Common Stock                    | 12/06/2010                           |  | M                              |   | 250,000   | A  | \$ 2.58   |
| Common Stock                    | 12/06/2010                           |  | S                              |   | 150,000   | D  | \$ 23.9569  |
| Common Stock                    | 12/06/2010                           |  | S                              |   | 100,000   | D  | \$ 23.8853  |
| Common Stock                    | 12/07/2010                           |  | M                              |   | 100,000   | A  | \$ 2.58   |
| Common Stock                    | 12/07/2010                           |  | S                              |   | 50,000  | D  | \$ 23.7772  |

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Common Stock    12/07/2010    S    50,000    D    \$ 23.6452    711,844    D

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 (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                                 |
| Employee Options (Right to Buy)            | \$ 0   | 03/16/2010                           |  | J <sup>(1)</sup>               | 65,356  | 03/16/2010    03/16/2010                                 | Common Stock    65,356  |
| Employee Options (Right to Buy)            | \$ 2.58  | 12/06/2010                           |  | M                              | 250,000   | 11/27/2003    11/27/2012                                 | Common Stock    250,000                                       |
| Employee Options (Right to Buy)            | \$ 2.58  | 12/07/2010                           |  | M                              | 100,000   | 11/27/2003    11/27/2012                                 | Common Stock    100,000                                       |

## 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    12/08/2010

\_\_\_\_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) 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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