

WILLIAMS COMPANIES INC
Form SC 13D/A
February 04, 2014

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

SCHEDULE 13D
(Amendment No. 2)*

Under the Securities Exchange Act of 1934

THE WILLIAMS COMPANIES, INC.
(Name of Issuer)

Common Stock, par value \$1.00 per share
(Title of Class of Securities)

969457100
(CUSIP Number)

Keith Meister
Patrick J. Dooley, Esq.
Corvex Management LP
712 Fifth Avenue, 23rd Floor
New York, New York 10019
(212) 474-6700

Eric W. Mandelblatt
Soroban Capital Partners LLC
444 Madison Avenue, 21st Floor
New York, New York 10022
(212) 314-1300

COPIES TO:
Jeffrey Kochian, Esq.
Akin Gump Strauss Hauer & Feld LLP
One Bryant Park
New York, NY 10036
(212) 872-1000

(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

February 4, 2014
(Date of Event which Requires Filing
of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the

following box [X].

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule §240.13d-7 for other parties to whom copies are to be sent.

*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

Continued on following page(s)

Page 1 of 11 Pages

CUSIP No. 969457100

Page 2 of 11 Pages

1 Names of Reporting Persons

CORVEX MANAGEMENT LP

2 Check the Appropriate Box If a Member of a Group (See Instructions)

- a.
- b.

3 SEC Use Only

4 Source of Funds (See Instructions)

WC

5 Check Box If Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)

6 Citizenship or Place of Organization

DELAWARE

| | | |
|--|-------------------------------|--|
| Number of Shares Beneficially Owned By Each Reporting Person With | 7 8 9 10 | Sole Voting Power 31,377,960* Shared Voting Power 0 Sole Dispositive Power 31,377,960* Shared Dispositive Power 0 |
|--|-------------------------------|--|

11 Aggregate Amount Beneficially Owned by Each Reporting Person

48,813,361*†

12 Check Box If the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)

13 Percent of Class Represented By Amount in Row (11)

7.14*†%

14 Type of Reporting Person (See Instructions)

PN; IA

* See Items 5 and 6.

† Includes all shares beneficially owned by all Reporting Persons and excludes cash-settled swaps and options disclosed in Item 6 referencing an additional 19,263,599 shares, which, if aggregated with such beneficially owned shares, represent an aggregate economic interest in 68,076,960 share equivalents representing 9.96% of the outstanding shares.

CUSIP No. 969457100

Page 3 of 11 Pages

1 Names of Reporting Persons

KEITH MEISTER

2 Check the Appropriate Box If a Member of a Group (See Instructions)

a. b.

3 SEC Use Only

4 Source of Funds (See Instructions)

WC

5 Check Box If Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)

6 Citizenship or Place of Organization

UNITED STATES

| | | |
|--|----|---------------------------------------|
| Number of Shares Beneficially Owned By Each Reporting Person With | 7 | Sole Voting Power 31,377,960* |
| | 8 | Shared Voting Power 0 |
| | 9 | Sole Dispositive Power 31,377,960* |
| | 10 | Shared Dispositive Power 0 |

11 Aggregate Amount Beneficially Owned by Each Reporting Person

48,813,361*†

12 Check Box If the Aggregate Amount in Row (11) Excludes Certain
Shares (See Instructions)

*

13 Percent of Class Represented By Amount in Row (11)

7.14*†%

14 Type of Reporting Person (See Instructions)

IN; HC

* See Items 5 and 6.

† Includes all shares beneficially owned by all Reporting Persons and excludes cash-settled swaps and options disclosed in Item 6 referencing an additional 19,263,599 shares, which, if aggregated with such beneficially owned shares, represent an aggregate economic interest in 68,076,960 share equivalents representing 9.96% of the outstanding shares.

CUSIP No. 969457100

Page 4 of 11 Pages

1 Names of Reporting Persons

SOROBAN MASTER FUND LP

2 Check the Appropriate Box If a Member of a Group (See Instructions)

- a.
- b.

3 SEC Use Only

4 Source of Funds (See Instructions)

WC

5 Check Box If Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)

6 Citizenship or Place of Organization

CAYMAN ISLANDS

| | | |
|--|-------------------------------|--|
| Number of Shares Beneficially Owned By Each Reporting Person With | 7 8 9 10 | Sole Voting Power 0 Shared Voting Power 17,435,401* Sole Dispositive Power 0 Shared Dispositive Power 17,435,401* |
|--|-------------------------------|--|

11 Aggregate Amount Beneficially Owned by Each Reporting Person

48,813,361*†

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7.14*†%

14 Type of Reporting Person (See Instructions)

PN

* See Items 5 and 6.

† Includes all shares beneficially owned by all Reporting Persons and excludes cash-settled swaps and options disclosed in Item 6 referencing an additional 19,263,599 shares, which, if aggregated with such beneficially owned shares, represent an aggregate economic interest in 68,076,960 share equivalents representing 9.96% of the outstanding shares.

CUSIP No. 969457100

Page 5 of 11 Pages

1 Names of Reporting Persons

SOROBAN CAPITAL PARTNERS LLC

2 Check the Appropriate Box If a Member of a Group (See Instructions)

a.

b.

3 SEC Use Only

4 Source of Funds (See Instructions)

WC

5 Check Box If Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)

6 Citizenship or Place of Organization

DELAWARE

| | | |
|--|-------------------------------|--|
| Number of Shares Beneficially Owned By Each Reporting Person With | 7 8 9 10 | Sole Voting Power 0 Shared Voting Power 17,435,401* Sole Dispositive Power 0 Shared Dispositive Power 17,435,401* |
|--|-------------------------------|--|

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7.14*†%

14 Type of Reporting Person (See Instructions)

OO, IA

* See Items 5 and 6.

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CUSIP No. 969457100

Page 6 of 11 Pages

1 Names of Reporting Persons

ERIC W. MANDELBLATT

2 Check the Appropriate Box If a Member of a Group (See Instructions)

a.

b.

3 SEC Use Only

4 Source of Funds (See Instructions)

WC

5 Check Box If Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)

6 Citizenship or Place of Organization

UNITED STATES

| | | |
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12 Check Box If the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)

13 Percent of Class Represented By Amount in Row (11)

7.14*†%

14 Type of Reporting Person (See Instructions)

HC, IN

* See Items 5 and 6.

† Includes all shares beneficially owned by all Reporting Persons and excludes cash-settled swaps and options disclosed in Item 6 referencing an additional 19,263,599 shares, which, if aggregated with such beneficially owned shares, represent an aggregate economic interest in 68,076,960 share equivalents representing 9.96% of the outstanding shares.

CUSIP No. 969457100

Page 7 of 11 Pages

This Amendment No. 2 supplements the information set forth in the Schedule 13D filed by Corvex Management LP, Keith Meister, Soroban Master Fund LP, Soroban Capital Partners LLC, and Eric W. Mandelblatt with the United States Securities and Exchange Commission on December 16, 2013, as amended from time to time (as amended, the "Schedule 13D") relating to the shares of Common Stock, par value \$1.00 per share (the "Shares") of The Williams Companies, Inc., a Delaware corporation (the "Issuer"). Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Schedule 13D.

The information set forth in response to each separate Item below shall be deemed to be a response to all Items where such information is relevant. The Schedule 13D is supplementally amended as follows.

Item 3. Source and Amount of Funds or Other Consideration.

The responses to Items 4, 5 and 6 of this Schedule 13D are incorporated herein by reference.

The Reporting Persons acquired the Shares as follows:

(a) Corvex used working capital of the Corvex Funds to purchase the 13,603,266 Shares reported herein and to acquire the physically-settled call options referenced in Item 6, each as beneficially owned by the Corvex Persons. The total purchase price for such 13,603,266 Shares was approximately \$472,021,644 and the purchase price to acquire such physically-settled call options was \$243,696,229.

(b) SMF Fund used its working capital to purchase the 17,435,401 Shares reported herein, which are beneficially owned by the Soroban Persons. The total purchase price for such 17,435,401 Shares was approximately \$582,126,354.

Various of the Reporting Persons may effect purchases of securities through margin accounts maintained for them with brokers, which extend margin credit as and when required to open or carry positions in their margin accounts, subject to applicable federal margin regulations, stock exchange rules and such firms' credit policies. Positions in Shares may be held in margin accounts and may be pledged as collateral security for the repayment of debit balances in the accounts.

Item 4. Purpose of Transaction.

The responses to Items 3, 5 and 6 of this Schedule 13D are incorporated herein by reference.

The waiting periods under the Hart Scott Rodino Antitrust Improvements Act of 1976 applicable to the Corvex Persons and Soroban Persons referenced in the Schedule 13D have expired or terminated, and as a result, the Corvex Persons intend to promptly exercise their deeply in-the-money physically settled call options and the Corvex Persons and the Soroban Persons also expect to acquire additional Shares, further increasing their beneficial ownership stake.

The Reporting Persons have had discussions with the Issuer's management about adding Mr. Mandelblatt and Mr. Meister to the Board. However, the Reporting Persons have not reached a mutually acceptable agreement with the Issuer. The Reporting Persons anticipate that they will provide notice to the Issuer to nominate persons, including but not necessarily limited to Mr. Meister and Mr. Mandelblatt, for election as directors at the 2014 annual meeting.

In addition to seeking Board representation, the Reporting Persons intend to continue to evaluate all avenues to maximize the value of the Shares, including but not limited to: enhancing the structure and value of the Issuer's investments and assets; evaluating and financing of capital projects; optimizing the Issuer's capital structure and dividend policy; improving the Issuer's operational and financial execution; and evaluating the potential for participating in strategic combinations given the rapid pace of consolidation in the midstream energy industry. In addition, the Reporting Persons may also engage external advisors to help them with their coordinated activities including discussions with other shareholders and industry participants.

Item 5. Interest in Securities of the Issuer.

(a) – (b) The Corvex Persons may be deemed to be the beneficial owner of 13,603,266 Shares and 17,774,694 Shares underlying the call options referenced in Item 6, which collectively represent approximately 4.59% of the Issuer's outstanding Shares (assuming exercise of the options referenced above). Because the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, applicable to the Corvex Persons referenced in the Schedule 13D have expired or terminated, the Corvex Persons may exercise the options they beneficially own. Corvex may be deemed to have sole power to vote and sole power to dispose of 31,377,960 Shares. By virtue of his position as control person of the general partner of Corvex, Mr. Meister may be considered to beneficially own such Shares.

The Soroban Persons may be deemed to be the beneficial owner of 17,435,401 Shares, which represent approximately 2.55% of the Issuer's outstanding Shares. Each of the Soroban Persons may be deemed to have shared power to vote and dispose of such Shares.

The aggregate Shares reported as beneficially owned by the Corvex Persons and the Soroban Persons is 31,038,667 Shares and 17,774,694 Shares underlying the physically-settled call options referenced in Item 6, which collectively represent approximately 7.14% of the Issuer's outstanding Shares. The aggregate beneficial and economic ownership interest held by the Reporting Persons (including the instruments referred to in Item 6) represents 68,076,960 Shares and Share equivalents, or approximately 9.96% of the outstanding Shares.

The percentages calculated in the immediately foregoing paragraph and in the paragraphs above are calculated based on a total of 683,428,418 Shares outstanding as of October 28, 2013 as reported in the Issuer's Quarterly Report on Form 10-Q filed by the Issuer on October 31, 2013.

The filing of this Schedule 13D shall not be construed as an admission that any of the Reporting Persons is the beneficial owner of any securities covered by the Schedule 13D except to the extent expressly noted herein.

(c) Except as set forth on Exhibit 2 attached hereto, there have been no transactions with respect to the Shares during the sixty days prior to the date hereof by any of the Reporting Persons.

CUSIP No. 969457100

Page 9 of 11 Pages

(d) Except as set forth below, no person is known to have the right to receive, or the power to direct the receipt of dividends from, or proceeds from the sale of, the Shares beneficially owned by any of the Reporting Persons, other than the Reporting Persons themselves.

The limited partners of (or investors in) each of the private investment funds for which Corvex or its affiliates acts as general partner and/or investment adviser have the right to participate in the receipt of dividends from, or proceeds from the sale of, the Shares held for the accounts of their respective funds in accordance with their respective limited partnership interests (or investment percentages) in their respective funds.

The limited partners of (or investors in) each of the private investment funds for which SCP LLC or its affiliates acts as general partner, managing member and/or investment manager have the right to participate in the receipt of dividends from, or proceeds from the sale of, the Shares held for the accounts of their respective funds in accordance with their respective limited partnership interests, limited liability company interests or investment percentages in their respective funds.

(e) Not applicable.

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer.

The responses to Items 3, 4 and 5 of this Schedule 13D are incorporated herein by reference.

Corvex purchased in the over the counter market American-style physically-settled call options referencing an aggregate of 14,721,194 Shares at an exercise price of \$25.00 per Share, all of which expire on January 30, 2015.

Corvex sold in the over the counter market European-style physically-settled put options referencing an aggregate of 14,721,194 Shares at an exercise price of \$25.00 per Share, which expire on January 30, 2015 or the date on which the corresponding American-style call option described above in this Item 6 is exercised.

CUSIP No. 969457100

Page 10 of 11 Pages

SMF Fund sold in the over the counter market European-style cash-settled call options referencing an aggregate of 2,050,000 Shares that did not give SMF Fund direct or indirect voting, investment or dispositive control over any securities of the Issuer and do not permit SMF Fund to exercise such cash-settled call options and receive Shares of the Issuer. Following this transaction, SMF Fund holds European-style cash-settled call options referencing an aggregate of 8,088,000 Shares with a strike price of \$50.00 per Share that did not give SMF Fund direct or indirect voting, investment or dispositive control over any securities of the Issuer and do not permit SMF Fund to exercise such cash-settled call options and receive Shares of the Issuer.

Except for the arrangements described herein, to the best knowledge of the Reporting Persons, there are no contracts, arrangements, understandings or relationships (legal or otherwise) among the persons named in Item 2 and between such persons and any other person with respect to any securities of the Issuer, including but not limited to, transfer or voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, puts or calls, guarantees of profits, division of profits or loss, or the giving or withholding of proxies.

Item 7. Material to be Filed as Exhibits.

Exhibit 2 – Transactions in the Shares effected in the past 60 days.

SIGNATURES

After reasonable inquiry and to the best of its or his knowledge and belief, each of the undersigned certifies that the information set forth in this statement is true, complete and correct.

Date: February 4, 2014 CORVEX MANAGEMENT LP

By: /s/ Keith Meister
Keith Meister
Managing Partner

Date: February 4, 2014 KEITH MEISTER

By: /s/ Keith Meister

Date: February 4, 2014 SOROBAN MASTER FUND LP

By: /s/ Eric W. Mandelblatt
Eric W. Mandelblatt
Authorized Signatory of its Investment Manager

Date: February 4, 2014 SOROBAN CAPITAL PARTNERS LLC

By: /s/ Eric W. Mandelblatt
Eric W. Mandelblatt
Managing Partner

Date: February 4, 2014 ERIC W. MANDELBLATT

By: /s/ Eric W. Mandelblatt

EXHIBIT 2
TRANSACTIONS

Together with Exhibit 2 previously attached to the Schedule 13D, the following table sets forth all transactions with respect to Shares effected in the last sixty days by the Reporting Persons on behalf of the Reporting Persons in respect of the Shares, inclusive of any transactions effected through 4:00 p.m., New York City time, on February 4, 2014. Except as otherwise noted below, all such transactions were purchases or sales of Shares effected in the open market, and the table includes commissions paid in per share prices.

| NATURE OF TRANSACTION | DATE OF TRANSACTION | AMOUNT OF SECURITIES | PRICE PER SHARE / PREMIUM PER OPTION |
|-----------------------------------|---------------------|----------------------|--------------------------------------|
| Corvex - Purchase of Call Options | 1/14/2014 | 850,000 (1) | 14.18 (2) |
| Corvex - Purchase of Call Options | 1/15/2014 | 717,000 (1) | 14.12 (2) |
| Corvex - Purchase of Call Options | 1/16/2014 | 750,000 (1) | 14.22 (2) |
| Corvex - Purchase of Call Options | 1/16/2014 | 400,000 (1) | 14.36 (2) |
| Corvex - Sale of Put Options | 1/14/2014 | 850,000 (3) | 0.01 (4) |
| Corvex - Sale of Put Options | 1/15/2014 | 717,000 (3) | 0.01 (4) |
| Corvex - Sale of Put Options | 1/16/2014 | 750,000 (3) | 0.01 (4) |
| Corvex - Sale of Put Options | 1/16/2014 | 400,000 (3) | 0.01 (4) |

(1) Represents shares underlying American-style physically settled call options purchased in the over-the-counter market. These call options expire on January 30, 2015.

(2) This amount represents the cost of an applicable American-style physically settled over the counter call option to purchase one Share. The per share exercise price of these call options is \$25.00.

(3) Represents shares underlying physically settled European-style put options sold in the over the counter market. These put options expire on the earlier of January 30, 2015 or the date on which the corresponding American-style call option described above in footnote 1 is exercised.

(4) This amount represents the proceeds received from an applicable physically settled European-style over the counter put option to sell one Share. The per share exercise price of these put options is \$25.00. This exercise price will be adjusted to account for any dividends or other distributions declared by the Issuer prior to exercise of the options.