WILLIAMS COMPANIES INC
Form DEFA14A
June 15, 2016

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant x Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement

¨ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

¨ Definitive Proxy Statement

x Definitive Additional Materials

¨ Soliciting Material under §240.14a-12

The Williams Companies, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

x No fee required.

¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

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(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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¨ Fee paid previously with preliminary materials.

¨ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

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(4) Date Filed:

Explanatory Note:

The following presentation was first furnished by The Williams Companies, Inc. (Williams) to investors on June 15, 2016, with respect to the previously announced combination of Williams with Energy Transfer Equity, L.P. (ETE), through the merger of a newly formed entity, Energy Transfer Corp LP (ETC) with Williams (the merger). Please consider the following when reviewing the presentation:

The merger remains subject to a number of closing conditions, including the receipt of Williams stockholder approval and receipt by ETC and Williams of a tax opinion from Latham & Watkins LLP (Latham) that the contribution of Williams assets by ETC to ETE should qualify as an exchange to which Section 721(a) of the Internal Revenue Code applies. ETE has advised Williams that Latham has advised ETE that it would not be able to deliver this tax opinion were the opinion requested as of the date of the proxy statement/prospectus mailed to Williams stockholders. ETE has advised Williams that it believes there is a substantial risk that the closing condition relating to this tax opinion will not be met, and that it is unlikely that ETC would waive the closing condition. Williams believes that the contribution should qualify as an exchange to which Section 721(a) of the Internal Revenue Code applies, and would be willing to waive the condition to closing that Williams receive this tax opinion.

Williams has filed a lawsuit against ETE in the Delaware Court of Chancery alleging that ETE has breached the merger agreement by failing to cooperate to obtain the 721 Opinion from Latham and failing to otherwise to use its reasonable best efforts to take all actions necessary to close the merger. Williams seeks, among other remedies, a declaratory judgment and injunction preventing ETE from terminating or otherwise avoiding its obligations under the merger agreement due to any failure of Latham to deliver the 721 tax opinion to ETC and Williams. ETE has filed its affirmative defenses and counterclaim, including a counterclaim that Williams has breached the merger agreement by the Williams board of directors modifying or qualifying its approval and recommendation of the merger in various ways. ETE seeks, among other things, a declaratory judgment that, in the event Latham fails to deliver the 721 tax opinion prior to the outside date of June 28, 2016 set forth in the merger agreement, ETE will be entitled to terminate the merger agreement without liability due to the failure of a closing condition. ETE also seeks a judgment that due to Williams breaches of the merger agreement, ETE is entitled to immediately terminate the merger agreement. ETE s position is that, in the event ETE is entitled to and does terminate the merger agreement due to a modification or qualification of the Williams board of directors recommendation of the merger, Williams would owe ETE a termination fee of $1.48 billion. The parties have agreed to expedited proceedings, with a trial scheduled to be held June 20 and June 21, 2016. Williams stockholders are encouraged to read the proxy statement/prospectus in its entirety, including the section entitled Recent Developments, for additional information regarding the foregoing.

ETE has advised Williams that, given uncertainty in the trading markets related to the foregoing, ETE believes that the current trading price of ETE units is likely not representative of what the trading price of ETE units would be in the event the merger were consummated. ETE believes that actual trading price of ETE units upon any consummation of the merger could be substantially lower than the $12.69 closing price as of June 14, 2016 cited in the presentation, as a result of ETE s current expectation to discontinue its distribution on common units for eight quarters following closing if the merger is consummated as well as other matters discussed in the Recent Developments section.