

In re Williams Securities Litigation

COURT: United States District Court for the Northern District of Oklahoma
CASE NUMBER: 02-cv-72
CLASS PERIOD: 07/24/2000 - 07/22/2002

Securities fraud class action filed on behalf of a class of all persons or entities that purchased or otherwise acquired certain securities of The Williams Companies ("WMB" or "Williams") between July 24, 2000 and July 22, 2002, inclusive (the "Class Period").

February 9, 2007 - Court Grants Final Approval of \$311 Million Settlement in Williams Securities Litigation

Pursuant to a hearing held on February 9, 2007, the Court granted final approval of the settlement obtained from Williams and its auditor, Ernst & Young, for \$311 million, and also approved the plan of allocation for distribution of settlement proceeds.

The claims administration process has concluded and the net settlement fund has been fully disbursed. This matter is considered closed.

June 13, 2006 - Lead Plaintiffs Announce \$311 Million Settlement in Williams Securities Litigation

On June 13, 2006, BLB&G announced an agreement to settle the litigation against all defendants for \$311 million in cash. BLB&G is Court-appointed Lead Counsel in the action and represents Court-appointed Lead Plaintiffs, the Arkansas Teacher Retirement System ("Arkansas Teachers") and the Ontario Teachers' Pension Plan Board ("Ontario Teachers").

This settlement comes after intensive litigation and shortly before trial. As part of this action, BLB&G engaged in a massive discovery effort which included taking more than 150 depositions and reviewing in excess of 18 million pages of documents. At the time of the settlement, Lead Plaintiffs and BLB&G were preparing for trial which was scheduled for August 2006.

Commenting on the settlement, partner Chad Johnson stated: "This recovery of \$311 million is an extraordinary result. It is among the largest recoveries ever in a securities class action in which the corporate defendant did not restate its financial results. This settlement is also proof that the combination of a vigorous litigation strategy and committed institutional Lead Plaintiffs results in outstanding recoveries."

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Background

The Consolidated Amended Complaint (the "Complaint") was filed on October 7, 2002 and alleged securities claims pursuant to Section 10(b) of the Securities Exchange Act of 1934 and Section 11 of the Securities Act of 1933. The Section 10(b) claims were brought on behalf of purchasers of Williams' common stock in the open market and the Section 11 claims on behalf of purchasers of securities in the following four securities offerings: (i) \$1.3 billion secondary common stock offering in January 2001; (ii) \$1.2 billion common stock offering in August 2001 in connection with the merger with Barrett Resources Corp.; (iii) \$1.5 billion Notes offering in August 2001; and (iv)

\$1.1 billion offering of FELINE PACS equity securities in January 2002. The Complaint was filed on behalf of a class of investors who purchased these securities between July 24, 2000 and July 22, 2002 and were injured thereby.

The allegations in the Complaint relate to Williams' former telecommunications subsidiary Williams Communications, Inc. ("WCG") and Williams' energy trading operation, known at the time as Energy Marketing & Trading ("EM&T"). The allegations with respect to WCG concern Williams' alleged failure to timely disclose that it would have to incur multi-billion dollar losses in connection with Williams' guarantees of certain WCG financial obligations.

In connection with Williams' EM&T business, the Complaint alleges that Williams manipulated the reported value of its long-term energy contracts in the midst of the California energy crisis in 2001. Based on these valuations, Lead Plaintiffs alleged that Williams inflated earnings by hundreds of millions of dollars during the Class Period.

Case Documents

- February 12, 2007 - Judgement Approving Settlement
- October 7, 2002 - Consolidated Amended Complaint
- October 14, 2006 - Notice of Pendency and Proposed Settlement
- February 12, 2007 - Order Approving Plan of Allocation of Settlement Proceeds