KESSLER MURRAY S
Form 4
January 08, 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 *
KESSLER MURRAY S

(Last) (First) (Middle)

C/O UST INC., 6 HIGH RIDGE PARK, BLDG. A

(Street)

STAMFORD, CT 06905

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
UST INC [UST]

3. Date of Earliest Transaction (Month/Day/Year)
01/06/2009

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ 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	01/06/2009		A		1,594 (1)	A	$ 0	279,447	D	
Common Stock	01/06/2009		A		727 (1)	A	$ 0	282,628 (2)	D	
Common Stock	01/06/2009		D		282,628	D	$ 69.5	0	D	

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

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number.

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 Amou Underlying Securi (Instr. 3 and 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amo Num Shar
Employee Stock Option (Right to Buy)	$ 33.25	01/06/2009		D			38,900	07/23/2004 (3)	07/22/2013	Common Stock	38
Employee Stock Option (Right to Buy)	$ 39.31	01/06/2009		D			57,700	09/10/2005 (5)	09/09/2014	Common Stock	57
Employee Stock Option (Right to Buy)	$ 53.47	01/06/2009		D			200,000	11/02/2007 (7)	11/01/2016	Common Stock	200

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
KESSLER MURRAY S C/O UST INC. 6 HIGH RIDGE PARK, BLDG. A STAMFORD, CT 06905	X		CEO & President	

Signatures

Lorna R. Simms, By Power of Attorney	01/08/2009
**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).

(1) In accordance with the terms of the plan, the number of shares indicated became vested on January 6, 2009, upon the completion of the change in control of UST Inc., due to performance for the performance period ended December 31, 2008.

(2) Includes a total of 2,454 shares held in the UST Inc. Employees' Savings Plan as of December 31, 2008.

(3) Ratably over a four (4) year period commencing on 07/23/2004.

(4) The option was canceled on January 6, 2009 under the terms of the plan in exchange for a cash payment representing the excess of $69.50 over the option's exercise price of $33.25 per share.

(5) Ratably over a three year period commencing on 9/10/2005.

(6) The option was canceled on January 6, 2009 under the terms of the plan in exchange for a cash payment representing the excess of $69.50 over the option's exercise price of $39.31 per share.

(7) Ratably over a three year period commencing on 11/02/2007.

(8) The option was canceled on January 6, 2009 under the terms of the plan in exchange for a cash payment representing the excess of $69.50 over the option's exercise price of $53.47 per share.

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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