

NESSER JOHN T III
Form 4
March 08, 2011

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 *
NESSER JOHN T III

2. Issuer Name and Ticker or Trading Symbol
MCDERMOTT INTERNATIONAL INC [MDR]

5. Relationship of Reporting Person(s) to Issuer
(Check all applicable)

(Last) (First) (Middle)
757 N. ELDRIDGE PARKWAY
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
03/04/2011

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
EVP, COO

HOUSTON, TX 77079

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

(City) (State) (Zip)

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	(D)	Price			
Common Stock	03/04/2011		M		8,275	A	\$ 0	333,775	D	
Common Stock	03/04/2011		F		2,188	D	\$ 25.64	331,587	D	
Common Stock	03/05/2011		M		12,221	A	\$ 0	343,808	D	
Common Stock	03/05/2011		F		3,541	D	\$ 25.64	340,267	D	
Common Stock	03/05/2011		M		15,917	A	\$ 0	356,184	D	

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Common Stock	03/05/2011	F	5,801	D	\$ 25.74	350,383	D	
Common Stock	03/07/2011	S	40,000	D	\$ 25.3685	310,383	D	
Common Stock						14,479	I	401K Plan <u>(1)</u>
Common Stock						200,000	I	By GRAT <u>(2)</u>

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

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(9-02)

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 Security (Instr. 3 and 4)		
						Date Exercisable	Expiration Date	Title	Amount or Number of Shares
						Code	V	(A)	(D)
Restricted Stock Units	<u>(3)</u>	03/04/2011		M	8,275	03/04/2011 <u>(4)</u>	03/04/2011 <u>(4)</u>	Common Stock	8
Restricted Stock Units	<u>(3)</u>	03/05/2011		M	12,221	<u>(5)</u>	<u>(5)</u>	Common Stock	12
Restricted Stock Units	<u>(3)</u>	03/05/2011		M	15,917	03/05/2011 <u>(6)</u>	03/05/2011 <u>(6)</u>	Common Stock	15

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
NESSER JOHN T III 757 N. ELDRIDGE PARKWAY HOUSTON, TX 77079			EVP, COO	

Signatures

Liane K. Hinrichs, by Power of
Attorney

03/08/2011

__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) Based upon units held in 401K Plan and the fair market value of MDR common stock as of March 4, 2011.
- (2) On October 27, 2010, the reporting person contributed 200,000 shares of MDR common stock to a grantor retained annuity trust of which the reporting person is Trustee and has indirect beneficial ownership.
- (3) Each restricted stock unit represents a contingent right to receive one share of MDR common stock.
- (4) The restricted stock units vest in three equal annual installments beginning March 4, 2011.
- (5) 66% of these outstanding Restricted Stock Units vested on March 5, 2011 in connection with Mr. Nesser attaining retirement eligibility. The remainder of these Restricted Stock Units vest on March 5, 2012.
- (6) The restricted stock units vest in three equal annual installments beginning March 5, 2010. In addition, 50% of the then outstanding restricted stock units vested in connection with Mr. Nesser attaining retirement eligibility.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.