

LEGG MASON INC
Form 4
May 16, 2007

FORM 4

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

OMB APPROVAL

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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 *
MASON RAYMOND A

(Last) (First) (Middle)

LEGG MASON INC, 100 LIGHT ST

(Street)

BALTIMORE, MD 21202

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
LEGG MASON INC [LM]

3. Date of Earliest Transaction (Month/Day/Year)
05/14/2007

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)

Chairman, President & CEO

6. Individual or Joint/Group Filing(Check Applicable Line)

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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | | (A) or (D) | Price | | |
| Common Stock | 05/14/2007 | | M | | \$ 32.69 | 2,106,028 | D |
| Common Stock | 05/14/2007 | | F/K | | \$ 99.74 | 2,073,253 | D |
| Common Stock | 05/14/2007 | | S | | \$ 99.85 | 2,064,453 | D |
| Common Stock | 05/15/2007 | | S | | \$ 98.99 | 2,014,453 | D |
| Common Stock | 05/16/2007 | | M | | \$ 31.09 | 2,114,453 | D |

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| | | | | | | | | |
|--------------|------------|-----|---------|---|----------|-----------|---|--|
| Common Stock | 05/16/2007 | F/K | 31,437 | D | \$ 98.89 | 2,083,016 | D | |
| Common Stock | 05/16/2007 | M | 100,000 | A | \$ 32.69 | 2,183,016 | D | |
| Common Stock | 05/16/2007 | F/K | 33,055 | D | \$ 98.89 | 2,149,961 | D | |
| Common Stock | 05/16/2007 | S | 41,200 | D | \$ 98.1 | 2,108,761 | D | |
| Common Stock | | | | | | 250,000 | I | By GRAT |
| Common Stock | | | | | | 18,075 | I | By Wife ⁽¹⁾ |
| Common Stock | | | | | | 1,800 | I | By Step-children ⁽¹⁾ |
| Common Stock | | | | | | 1,200 | I | By Trusts for Step-children ^{(1) (2)} |
| Common Stock | | | | | | 300 | I | By Trusts for Children ⁽²⁾ |
| Common Stock | | | | | | 150 | I | By Child ^{(1) (3)} |

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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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 Securities (Instr. 3 and 4) | | |
|---|--|--------------------------------------|--|--------------------------------|---|--|---|--------------|----------------------------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount of Number of Shares |
| Stock Options (Right to buy) ⁽⁴⁾ | \$ 32.69 | 05/14/2007 | | M | 100,000 | 07/24/2001 | 07/22/2007 | Common Stock | 100,000 |

| | | | | | | | | | |
|---|----------|------------|--|---|---------|------------|------------|--------------|---------|
| Stock Options (Right to buy) ⁽⁴⁾ | \$ 31.09 | 05/16/2007 | | M | 100,000 | 04/24/2001 | 07/22/2007 | Common Stock | 100,000 |
| Stock Options (Right to buy) ⁽⁴⁾ | \$ 32.69 | 05/16/2007 | | M | 100,000 | 07/24/2001 | 07/22/2007 | Common Stock | 100,000 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| MASON RAYMOND A LEGG MASON INC 100 LIGHT ST BALTIMORE, MD 21202 | | X | Chairman, President & CEO | |

Signatures

/s/ Erin L. Clark, Attorney-in-fact for Raymond A. Mason 05/16/2007

__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) The reporting person disclaims beneficial ownership of all securities held and this report should not be deemed an admission that the reporting person is the beneficial owner of such securities for purposes of Section 16 or for any other purposes.
- (2) The reporting person is trustee.
- (3) The reporting person's wife is custodian.
- (4) Employee stock option cumulatively exercisable annually in 20% increments commencing on the exercisable date indicated.

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.