

PELTZ NELSON
Form 4
February 03, 2010

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 *
PELTZ NELSON

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
280 PARK AVENUE, 41ST FLOOR

(Street)

3. Date of Earliest Transaction
(Month/Day/Year)
02/01/2010

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

NEW YORK, NY 10017

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 or Beneficial Ownership (Instr. 4)
Common Stock, \$.10 par value	02/01/2010		O	325,500 A	\$ 28.085 9,938,544	I (4) (5) (6)	Please see explanation below (4) (5) (6)

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

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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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)	8. Amount and Number of Shares
Put-Call Option (right and obligation to buy) ⁽¹⁾ _{(2) (3)}	\$ 28.085 ⁽¹⁾ _{(2) (3)}	02/01/2010		O ⁽²⁾ ₍₃₎	325,500	12/15/2009 06/15/2011	Common Stock, \$.10 par value	325,500

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
PELTZ NELSON 280 PARK AVENUE, 41ST FLOOR NEW YORK, NY 10017	X			
Triam Fund Management, L.P. 280 PARK AVENUE, 41ST FLOOR NEW YORK, NY 10017				less than 10% owner

Signatures

Stuart I. Rosen, Attorney-In-Fact for Nelson Peltz 02/03/2010
__Signature of Reporting Person Date

Stuart I. Rosen, Attorney-In-Fact for Edward P. Garden, member of the general partner of Triam Fund Management, L.P. 02/03/2010
__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 put-call option was previously reported at an exercise price of \$28.0651, but, in accordance with the terms of the underlying agreements, the exercise price was adjusted to reflect a financing fee paid to the counterparty.
 - (2) On December 15, 2009, one of the Triam Entities entered into a series of privately negotiated back-to-back call and put transactions with a counterparty through which it acquired an economic interest in the indicated shares.
 - (3) (FN 2, contd.) Simultaneously with the purchase of each call option, it also sold a put option to the counterparty for the same number of shares pursuant to which, if on June 15, 2011 the exercise price per share of the call option were greater than the closing price of the shares on June 15, 2011, (the "Closing Price"), the counterparty would be entitled to cause it, at their election, either to (i) pay the counterparty an amount in cash equal to the product of (a) the excess of the exercise price per share pursuant to such option (the "Exercise Price") over the Closing Price and (b) the number of shares set forth above or (ii) acquire from the counterparty the number of shares set

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forth above at the Exercise Price. On February 1, 2010, all of the call options were exercised, at an exercise price of \$28.085 per share, and the shares were acquired from the counterparty.

- (4) Trian Fund Management GP, LLC ("Trian Management GP") is the general partner of Trian Fund Management, L.P. ("Trian Management"), which serves as the management company for Trian Partners, L.P. ("Trian Onshore"), Trian Partners Master Fund, L.P. ("Trian Offshore"), Trian Partners Parallel Fund I, L.P. ("Parallel Fund I") and Trian SPV (SUB) V, L.P. ("Trian SPV" and collectively, the "Trian Entities").

- (5) (FN 4 contd.) Accordingly, Mr. Peltz may be deemed to indirectly beneficially own (as that term is defined in Rule 13d-3 under the Securities Exchange Act of 1934) the shares beneficially owned by the Management Entities and the Trian Entities. Mr. Peltz disclaims beneficial ownership of such shares except to the extent of his pecuniary interest therein and this report shall not be deemed an admission that the Reporting Persons are the beneficial owner of such securities for purposes of Section 16 or for any other purpose. Mr. Peltz is a director of the Issuer.

- (6) (FN 5, contd.) Trian Partners General Partner, LLC ("Trian GP LLC") is the general partner of Trian Partners GP, L.P. ("Trian GP"), which is the general partner of Trian Onshore, Trian Offshore and Trian SPV. Trian Partners Parallel Fund I General Partner, LLC ("Parallel Fund I GP LLC") is the general partner of Parallel Fund I. Mr. Peltz is a member of Trian Management GP, Trian GP LLC and Parallel Fund I GP, LLC (the "Management Entities") and therefore is in a position to determine the investment and voting decisions made by the Trian Entities.

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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