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LEGG MASON INC
Form 424B3
September 06, 2002

FILED PURSUANT TO RULE 424(b)3
FILE NO. 333-68922

PROSPECTUS SUPPLEMENT NO. 15

(TO PROSPECTUS DATED OCTOBER 19, 2001)

\$567,285,000

LEGG MASON, INC.

LIQUID YIELD OPTION-TM- NOTES DUE 2031
(ZERO COUPON--SENIOR)

AND

COMMON STOCK ISSUABLE UPON CONVERSION OF THE LYONS

This document supplements the prospectus dated October 19, 2001 of Legg Mason, Inc. relating to the resale by certain holders of LYONS who are named as selling security holders of up to \$567,285,000 aggregate principal amount at maturity of LYONS and the shares of common stock issuable upon conversion of the LYONS.

You should read this prospectus supplement in conjunction with the prospectus dated October 19, 2001. This prospectus supplement is qualified by reference to the prospectus dated October 19, 2001, except to the extent that the information in this prospectus supplement supersedes the information contained in the October 19, 2001 prospectus.

The table of selling security holders beginning on page 39 of the prospectus is hereby amended to add the entities named below as selling security holders:

| NAME AND ADDRESS: ----- | PRINCIPAL AMOUNT AT MATURITY OF LYONS BENEFICIALLY OWNED THAT MAY BE SOLD (5) ----- | PERCENTAGE OF LYONS OUTSTANDING ----- | NUMBER OF SHARES OF COMMON STOCK THAT MAY BE SOLD (1) (4) ----- | PERCENT COMMON OUTSTAN ----- |
|---|--|--|--|---------------------------------------|
| Bear Stearns International Ltd. c/o Bear Stearns & Co., Inc. 383 Madison Avenue, 4th Floor New York, NY 10179 | \$40,685,000 | 7.17% | 313,527 | |

After giving effect to the addition of the foregoing selling security holders and the insertion of a new footnote (5) to the following table, the table of selling security holders reads as follows:

SELLING SECURITY HOLDERS

| PRINCIPAL AMOUNT AT MATURITY OF | NUMBER OF SHARES OF |
|------------------------------------|------------------------|
|------------------------------------|------------------------|

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| NAME AND ADDRESS: ----- | LYONS BENEFICIALLY OWNED THAT MAY BE SOLD (5) ----- | PERCENTAGE OF LYONS OUTSTANDING ----- | COMMON STOCK THAT MAY BE SOLD (1) (4) ----- | PERCENT COMMON OUTSTAN ----- |
|----------------------------|--|--|--|---------------------------------------|
|----------------------------|--|--|--|---------------------------------------|

| | | | | |
|--|--------------|---|--------|--|
| AIG SoundShore Opportunity Holding Fund Ltd. | \$ 3,264,000 | * | 25,153 | |
|--|--------------|---|--------|--|

| NAME AND ADDRESS: ----- | PRINCIPAL AMOUNT AT MATURITY OF LYONS BENEFICIALLY OWNED THAT MAY BE SOLD (5) ----- | PERCENTAGE OF LYONS OUTSTANDING ----- | NUMBER OF SHARES OF COMMON STOCK THAT MAY BE SOLD (1) (4) ----- | PERCENT COMMON OUTSTAN ----- |
|----------------------------|--|--|--|---------------------------------------|
|----------------------------|--|--|--|---------------------------------------|

| | | | | |
|--|---------------|-------|---------|--|
| c/o DKR Management Company, Inc. 1281 East Main Street 3rd Floor Stamford, CT 06902 AIG SoundShore Strategic Holding Fund Ltd. c/o DKR Management Company, Inc. 1281 East Main Street 3rd Floor Stamford, CT 06902 | \$ 1,836,000 | * | 14,149 | |
| Allstate Insurance Company..... 3075 Sanders Road Suite G6B Northbrook, IL 60062 | \$ 2,200,000 | * | 16,954 | |
| Allstate Life Insurance Company..... 3075 Sanders Road Suite G6B Northbrook, IL 60062 | \$ 3,050,000 | * | 23,504 | |
| Argent Classic Convertible Arbitrage Fund (Bermuda) Ltd..... 73 Front Street Hamilton HM 12 Bermuda | \$ 6,800,000 | 1.20% | 52,402 | |
| Argent Classic Convertible Arbitrage Fund L.P. 500 West Putnam Avenue 3rd Floor Greenwich, CT 06830-6086 | \$ 5,000,000 | * | 38,531 | |
| Argent Classic Arbitrage Fund Ltd..... 500 West Putnam Avenue 3rd Floor Greenwich, CT 06830-6086 | \$ 5,000,000 | * | 38,531 | |
| Bear Stearns International Ltd. c/o Bear Stearns & Co., Inc. 383 Madison Avenue, 4th Floor New York, NY 10179 | \$ 40,685,000 | 7.17% | 313,527 | |
| Circllet (IMA) Limited..... c/o Camden Asset Management LP 2049 Century Park East, Suite 330 Los Angeles, CA 90067 | \$ 3,000,000 | * | 23,119 | |
| Continental Assurance Company..... On Behalf of its Separate Account | \$ 4,700,000 | * | 36,219 | |

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(E)
 CNA Plaza, 23 South
 Chicago, IL 60685
 Continental Casualty Company..... \$ 28,500,000 5.02% 219,627
 CNA Plaza, 23 South
 Chicago, IL 60685

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| NAME AND ADDRESS: ----- | PRINCIPAL AMOUNT AT MATURITY OF LYONS BENEFICIALLY OWNED THAT MAY BE SOLD (5) ----- | PERCENTAGE OF LYONS OUTSTANDING ----- | NUMBER OF SHARES OF COMMON STOCK THAT MAY BE SOLD (1) (4) ----- | PERCENT COMMON OUTSTAN ----- |
|---|--|--|--|---------------------------------------|
| Credit Suisse First Boston Corp. London..... | \$ 57,500,000 | 10.14% | 443,107 | |
| c/o Credit Suisse First Boston Corporation 11 Madison Avenue 7th Floor New York, NY 10010 | | | | |
| Credit Suisse First Boston Corporation..... | \$ 5,040,000 | * | 38,839 | |
| 11 Madison Avenue 7th Floor New York, NY 10010 | | | | |
| D.E. Shaw Investments, L.P..... | \$ 6,500,000 | 1.15% | 50,090 | |
| 120 West 45th St., 39th Floor New York, NY 10036 | | | | |
| D.E. Shaw Valence, L.P..... | \$ 26,200,000 | 4.62% | 201,902 | |
| 120 West 45th St., 39th Floor New York, NY 10036 | | | | |
| Deephaven Domestic Convertible Trading Ltd. | \$ 9,750,000 | 1.72% | 75,135 | |
| 130 Cheshire Lane Suite 102 Minnetonka, MN 55305 | | | | |
| Deutsche Banc Alex Brown Inc..... | \$ 5,000,000 | * | 38,531 | |
| 1251 Avenue of the Americas New York, NY 10020 | | | | |
| Dylan (IMA) Ltd..... | \$ 4,000,000 | * | 30,825 | |
| Lydian Asset Management L.P. 101 East 52nd St. 36th Floor New York, NY 10022 | | | | |
| Global Bermuda Limited Partnership.... | \$ 5,500,000 | * | 42,384 | |
| 601 Carlson Parkway Suite 200 Minnetonka, MN 55305 | | | | |
| Hamilton Partners Limited..... | \$ 7,300,000 | 1.29% | 56,255 | |
| 415 Madison Avenue, 19th Floor New York, NY 10007 | | | | |
| JP Morgan Securities Inc. | \$ 10,000,000 | 1.76% | 77,062 | |
| 500 Stanton Christiana Road Newark, DE 19713 | | | | |
| KBC Financial Products..... | \$ 5,000,000 | * | 38,531 | |

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140 East 45th Street
 2 Grand Central Tower
 42nd Floor
 New York, NY 10017
 Lakeshore International Ltd..... \$ 27,550,000 4.86% 212,306
 601 Carlson Parkway
 Suite 200
 Minnetonka, MN 55305

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| NAME AND ADDRESS: ----- | PRINCIPAL AMOUNT AT MATURITY OF LYONS BENEFICIALLY OWNED THAT MAY BE SOLD (5) ----- | PERCENTAGE OF LYONS OUTSTANDING ----- | NUMBER OF SHARES OF COMMON STOCK THAT MAY BE SOLD (1) (4) ----- | PERCENT COMMON OUTSTAN ----- |
|--|--|--|--|---------------------------------------|
| Lehman Brothers Inc..... 745 Park Avenue New York, NY 10285 | \$ 6,000,000 | 1.06% | 46,237 | |
| Lincoln National Global Asset Allocation Fund, Inc..... c/o Putnam Investment Management, LLC Investors Way, N-3-L Norwood, MA 02062 | \$ 320,000 | * | 2,466 | |
| Lydian Overseas Partners Master Fund..... Lydian Asset Management L.P. 101 East 52nd Street, 36th Floor New York, NY 10022 | \$ 19,300,000 | 3.40% | 148,730 | |
| Merrill Lynch Pierce Fenner & Smith, Inc..... 101 Hudson Street Jersey City, NJ 07302 | \$ 4,155,000 | * | 32,019 | |
| Morgan Stanley & Co. 1585 Broadway New York, NY 10036 | \$ 25,800,000 | 4.55% | 198,820 | |
| Newport Investments, Inc. 130 Cheshire Lane Suite 102 Minnetonka, MN 55305 | \$ 750,000 | * | 5,780 | |
| Pacific Life Insurance Company..... 700 Newport Center Drive Newport Beach, CA 92660 | \$ 500,000 | * | 3,853 | |
| Putnam Asset Allocation Funds- Conservative Portfolio..... c/o Putnam Investment Management, LLC Investors Way, N-3-L Norwood, MA 02062 | \$ 2,560,000 | * | 19,728 | |
| Putnam Asset Allocation Funds-Balanced Portfolio..... c/o Putnam Investment Management, LLC Investors Way, N-3-L | \$ 1,960,000 | * | 15,104 | |

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Norwood, MA 02062
 Putnam Convertible Income-Growth
 Trust..... \$ 18,950,000 3.34% 146,033
 c/o Putnam Investment Management,
 LLC
 Investors Way, N-3-L
 Norwood, MA 02062

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| NAME AND ADDRESS: ----- | PRINCIPAL AMOUNT AT MATURITY OF LYONS BENEFICIALLY OWNED THAT MAY BE SOLD (5) ----- | PERCENTAGE OF LYONS OUTSTANDING ----- | NUMBER OF SHARES OF COMMON STOCK THAT MAY BE SOLD (1) (4) ----- | PERCENT COMMON OUTSTAN ----- |
|--|--|--|--|---------------------------------------|
| Putnam Convertible Opportunities and Income Trust..... c/o Putnam Investment Management, LLC Investors Way, N-3-L Norwood, MA 02062 | \$ 670,000 | * | 5,163 | |
| Putnam Variable Trust--Putnam VT Global Asset Allocation Fund..... c/o Putnam Investment Management, LLC Investors Way, N-3-L Norwood, MA 02062 | \$ 670,000 | * | 5,163 | |
| RAM Trading Ltd. c/o SAM Investments 650 Warrenville Road Suite 408 Lisle, IL 60532 | \$ 10,000,000 | 1.76% | 77,062 | |
| RCG Latitude Master Fund..... 666 Third Ave., 26th Floor New York, NY 10019 | \$ 3,500,000 | * | 26,972 | |
| Salomon Smith Barney Inc. 390 Greenwich St. Convertibles, 3rd Floor New York, NY 10013 | \$ 8,350,000 | 1.47% | 64,347 | |
| S.A.C. Capital Associates, LLC..... c/o S.A.C. Capital Advisors, LLC 777 Long Ridge Road Stamford, CT 06902 | \$ 16,500,000 | 2.91% | 127,152 | |
| SAM Investments LDC..... 650 Warrenville Road Suite 408 Lisle, IL 60532 | \$ 50,000,000 | 8.81% | 385,310 | |
| St. Albans Partners LTD c/o Camden Asset Management LP 2049 Century Park East, Suite 330 Los Angeles, CA 90067 | \$ 6,000,000 | 1.06% | 46,237 | |
| Tribeca Investments, L.L.C. 399 Park Ave. New York, NY 10043 | \$ 83,900,000 | 14.79% | 646,550 | 1 |
| UBS AG London Branch..... | \$ 58,765,000 | 10.36% | 452,855 | |

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100 Liverpool Street
 London EC2M 2RH
 United Kingdom

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| NAME AND ADDRESS: ----- | PRINCIPAL AMOUNT AT MATURITY OF LYONS BENEFICIALLY OWNED THAT MAY BE SOLD (5) ----- | PERCENTAGE OF LYONS OUTSTANDING ----- | NUMBER OF SHARES OF COMMON STOCK THAT MAY BE SOLD (1) (4) ----- | PERCENT COMMON OUTSTAN ----- |
|---|--|--|--|---------------------------------------|
| Victory Capital Management As Trustee for Parker Key Convertible..... 127 Public Square, 20th Floor Cleveland, OH 44114 | \$ 490,000 | * | 3,776 | |
| Worldwide Transactions Ltd. 48 Par La Ville Rd. Suite 778 Hamilton, HMII Bermuda | \$ 735,000 | * | 5,664 | |
| Yield Strategies II Fund, L.P..... c/o Camden Asset Management LP 2049 Century Park East, Suite 330 Los Angeles, CA 90067 | \$ 6,000,000 | 1.06% | 46,237 | |
| Zola Partners, L.P..... 535 Pacific Avenue, 2nd Floor San Francisco, CA 94133 | \$ 750,000 | * | 5,780 | |
| Any other holder of LYONS or future transferee, pledgee, donee or successor of any holder(3)..... | \$ 0 | -- | 0 | |

* Less than 1%.

- (1) Assumes conversion of all of the holder's LYONS at a conversion rate of 7.7062 shares of common stock per \$1,000 principal amount at maturity of the LYONS. However, this conversion rate will be subject to adjustment as described under "Description of LYONS--Conversion Rights." As a result, the amount of common stock issuable upon conversion of the LYONS may increase or decrease in the future.
- (2) Calculated based on 63,828,321 shares of common stock outstanding as of August 30, 2001. In calculating this amount, we treated as outstanding that number of shares of common stock issuable upon conversion of all of a particular holder's LYONS. However, we did not assume the conversion of any other holder's LYONS.
- (3) Information about other selling security holders will be set forth in prospectus supplements, if required.
- (4) Assumes that the holders of LYONS, or any future transferees, pledgees, donees or successors of or from any such holder of LYONS, do not beneficially own any common stock other than the common stock issuable upon conversion of the LYONS at the initial conversion rate.

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(5) The figures in this column are based on information supplied to us, as of September 5, 2002, by the respective selling security holders named in the table. As of that date, these selling security holders had supplied us with information indicating that, collectively, they owned more than \$567,285,000 aggregate principal amount at maturity of LYONS (which would be convertible into more than 4,371,612 shares of common stock), reflecting, we believe, that one or more selling security holders supplied us with information for inclusion in the table and then sold their LYONS in transactions exempt from the registration requirements of the Securities Act to persons who also supplied us with information with respect to the same LYONS. However, since this prospectus would not be applicable to any sale of LYONS after they have been publicly sold utilizing this prospectus, no more than 567,285,000 principal amount at maturity of LYONS could be sold utilizing this prospectus and, accordingly, the \$567,285,000 total in this column has been retained

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and represents the maximum principal amount at maturity of LYONS that could be sold hereunder.

We prepared this table based on the information supplied to us as of September 5, 2002, by the selling security holders named in the table. The selling security holders listed in the above table may have sold or transferred, in transactions exempt from the registration requirements of the Securities Act, some or all of their LYONS since the date on which the information is presented in the above table. Information about the selling security holders may change over time. Any changed information supplied to us will be set forth in future prospectus supplements.

Because the selling security holders may offer all or some of their LYONS or the underlying common stock from time to time, we cannot estimate the amount of the LYONS or the underlying common stock that will be held by the selling security holders upon the termination of any particular offering. See "Plan of Distribution."

INVESTING IN THE LYONS INVOLVES RISKS THAT ARE DESCRIBED IN THE "RISK FACTORS" SECTION BEGINNING ON PAGE 9 OF THE PROSPECTUS.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this prospectus supplement is September 6, 2002.

-TM-Trademark of Merrill Lynch & Co., Inc.

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