

LEGG MASON INC  
Form 4  
October 28, 2008

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2005  
Estimated average burden hours per response... 0.5

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 \*  
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)  
10/24/2008

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)

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 Indirect Ownership (Instr. 4)
Common Stock				(A) or (D)	2,149,029 <sup>(1)</sup>	D	
Common Stock				Code V Amount (D) Price	323,169	I	By GRAT
Common Stock					18,075	I	By Wife <sup>(2)</sup>
Common Stock					1,200	I	By Trusts for Step-children <sup>(2)</sup> <sup>(3)</sup>
Common Stock					300	I	By Trusts for Children <sup>(3)</sup>

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Common Stock 150 I By Child (2) (4)

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

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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)	8. Price or Value of Underlying Securities (Instr. 3 and 4)	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Phantom Stock <u>(5)</u>	<u>(6)</u>	10/24/2008		A	967.19	<u>(5)</u>	<u>(5)</u>	Common Stock	967.19 \$

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		

Signatures

Erin L. Clark, Attorney-in-fact for Raymond A. Mason 10/28/2008

\*\*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 no longer has a reportable beneficial interest in 1,800 shares of Legg Mason, Inc. common stock owned by his step-children and included in the reporting person's prior ownership reports.
- (2) 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.

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- (3) The reporting person is trustee.
- (4) The reporting person's wife is custodian.
- (5) Phantom stock units acquired pursuant to and under the conditions of the Legg Mason & Co., LLC Deferred Compensation/Phantom Stock Plan, as amended. See Exhibit 10.7 of Form 10-K for the fiscal year ended March 31, 2008.
- (6) 1-for-1

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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