PELTZ NELSON Form 4

December 17, 2009

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

OMB 3235-0287

Estimated average

Check this box if no longer subject to Section 16.

## STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES**

Number: January 31, Expires: 2005

**OMB APPROVAL** 

Form 4 or Form 5 obligations may continue.

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

2. Issuer Name and Ticker or Trading

burden hours per response... 0.5

See Instruction

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person \*

5. Relationship of Reporting Person(s) to Issuer

PELTZ NELSON

Symbol LEGG MASON INC [LM]

(Check all applicable)

(Last)

(First)

(Middle)

3. Date of Earliest Transaction

\_X\_\_ Director

10% Owner

280 PARK AVENUE, 41ST FLOOR 12/15/2009

\_ Other (specify Officer (give title below)

(Month/Day/Year)

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

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

Form filed by One Reporting Person X\_ Form filed by More than One Reporting

Person

NEW YORK, NY 10017

(City)	(State)	(Zip) Tal	ble I - Non	-Derivative	Secur	ities Acquir	ed, Disposed of,	or Beneficial	ly Owned
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transactic Code (Instr. 8)	4. Securitie on Disposed of (Instr. 3, 4)	f (D)	uired (A) or	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)
Common Stock, \$.10 par value	12/15/2009		P	217,000	A	\$ 28.0351 (1)	7,168,214	I (2) (3) (4)	Please see explanation below (2) (3) (4)
Common Stock, \$.10 par value	12/16/2009		P	500,000	A	\$ 28.6154 (5)	7,668,214	I (2) (3) (4)	Please see explanation below (2) (3) (4)

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

SEC 1474 (9-02)

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

1. Title Derivati Security (Instr. 3	ive	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 Underlying Securiti (Instr. 3 and 4)	
					Code V	(A) (D)	Date Exercisable	Expiration Date	Title	Amou Numb Share
Put-Ca Option (right a obligat to buy)	n and tion	\$ 28.0651	12/15/2009		J <u>(6)(7)</u>	325,500	12/15/2009	06/15/2011	Common Stock, \$.10 par value	325,

## **Reporting Owners**

Reporting Owner Name / Address	Kelationships						
	Director	10% Owner	Officer	Other			
PELTZ NELSON 280 PARK AVENUE, 41ST FLOOR NEW YORK, NY 10017	X						
Trian 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	12/17/2009
**Signature of Reporting Person	Date
Edward P. Garden, member of the general partner of Trian Fund Management, L.P.	12/17/2009
**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).
- The price shown in Column 4 of Table I is a weighted average purchase price. The price range for the purchases is \$27.91 to \$28.10. The (1) reporting persons undertake to provide upon request by the staff of the Securities and Exchange Commission, the Issuer or a security holder of the Issuer, full information regarding the number of shares purchased at each separate price.

**(2)** 

Reporting Owners 2

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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").

- (FN 2, 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 GP LLC") is the general partner of Parallel Fund I Mr. Peltz is a member of Trian Management GP. Trian GP LLC a
- (3) ("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.
  - (FN 3 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
- (4) 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.
- The price shown in Column 4 of Table I is a weighted average purchase price. The price range for the purchases is \$28.48 to \$28.70. The (5) reporting persons undertake to provide upon request by the staff of the Securities and Exchange Commission, the Issuer or a security holder of the Issuer, full information regarding the number of shares purchased at each separate price.
- (6) On December 15, 2009, one of the Trian 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.
  - (FN 6, 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 forth above at the Exercise Price.

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.