BAIN PETER L Form 4

January 12, 2009 **FORM 4**

OMB APPROVAL

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

OMB Number: 3235-0287

Check this box if no longer subject to Section 16. Form 4 or STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

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Section 16. Form 4 or Form 5 obligations may continue. See Instruction

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

SECURITIES

30(h) of the Investment Company Act of 1940

1(b).

Stock

(Print or Type Responses)

1. Name and Address of Reporting Person * BAIN PETER L			2. Issuer Name and Ticker or Trading Symbol	5. Relationship of Reporting Person(s) to Issuer			
		05111)	LEGG MASON INC [LM]	(Check all applicable)			
(Last)	(First)	(Middle)	3. Date of Earliest Transaction				
LEGG MASON INC, 100 LIGHT ST			(Month/Day/Year) 01/09/2009	Director 10% Owner _X Officer (give title Other (specify below) Sr. Executive Vice President			
	(Street)		4. If Amendment, Date Original	6. Individual or Joint/Group Filing(Check			
			Filed(Month/Day/Year)	Applicable Line)			
BALTIMORE, MD 21202				_X_ Form filed by One Reporting Person Form filed by More than One Reporting Person			
(City)	(State)	(Zip)	Table I - Non-Derivative Securities A	couired, Disposed of, or Beneficially Owned			

		Tubic	Table 1 Troil Berryalive Securities Required, Disposed of, or Beneficiary Owned							
1.Title of	2. Transaction Date	2A. Deemed	3.	4. Securiti	ies	5. Amount of	6. Ownership	7. Nature of		
Security	(Month/Day/Year)	Year) Execution Date, if TransactionAcquired (A) or		(A) or	Securities	Form: Direct	Indirect			
(Instr. 3)		any	Code	Disposed	of (D)	Beneficially	(D) or	Beneficial		
		(Month/Day/Year)	(Instr. 8)	(Instr. 3, 4	and 5)	Owned	Indirect (I)	Ownership		
						Following	(Instr. 4)	(Instr. 4)		
					Z.4.5	Reported				
					(A)	Transaction(s)				
			C = V		or	(Instr. 3 and 4)				
~			Code V	Amount	(D) Price					
Common						59,447	D			
Stock						37,777	D			
G										
Common						48	T	By Son		
Stools						.0	-	2,0011		

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

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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 of	2.	3. Transaction Date				6. Date Exercisable and		7. Title and Amount of		8. Pr
Derivative Security (Instr. 3)	Conversion or Exercise Price of Derivative Security	(Month/Day/Year)	Execution Date, if any (Month/Day/Year)	Code (Instr. 8)			Expiration Date (Month/Day/Year)		Underlying Securities (Instr. 3 and 4)	
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Phantom Stock (1)	<u>(2)</u>	01/09/2009		A	111.66	<u>(1)</u>	<u>(1)</u>	Common Stock	111.66	\$

Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

BAIN PETER L LEGG MASON INC 100 LIGHT ST BALTIMORE, MD 21202

Sr. Executive Vice President

Signatures

/s/ Erin L. Clark, Attorney-in-fact for Peter L.

Bain 01/12/2009

**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).
- (1) 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.
- (2) 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. 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.

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