

LEGG MASON INC  
Form 4  
July 28, 2009

**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 \*  
**KOERNER JOHN E III**

(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)  
**07/24/2009**

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 Ownership (Instr. 4)
			Code	V Amount (A) or (D) Price			
Common Stock	07/24/2009		M	9,000 A \$ 23.87	21,491	D	
Common Stock					3,600	I	By Sons

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 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)	Amount or Number of Shares
Stock Options (Right to buy) <sup>(1)</sup>	\$ 23.87	07/24/2009		M	9,000	07/27/1999 07/27/2009	Common Stock	9,000
Restricted Stock Units <sup>(2)</sup>	<sup>(3)</sup>	07/28/2009		A	4,560	<sup>(2)</sup> <sup>(2)</sup>	Common Stock	4,560

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
KOERNER JOHN E III LEGG MASON INC 100 LIGHT ST BALTIMORE, MD 21202		X		

## Signatures

Erin L. Clark, Attorney-in-fact for John E. Koerner III

07/28/2009

\*\*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) Fully exercisable stock option granted pursuant to and under the conditions of the Legg Mason, Inc. Stock Option Plan for Non-Employee Directors, as amended.
- (2) Restricted Stock Units acquired pursuant to and under the conditions of the Legg Mason, Inc. Non-Employee Director Equity Plan, as amended. See Legg Mason's Quarterly Report on Form 10-Q for the quarter ended September 30, 2008.
- (3) 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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