Lemke Thomas P Form 4 January 19, 2011

FORM 4

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

Check this box if no longer subject to Section 16. Form 4 or

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

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 30(h) of the Investment Company Act of 1940

2. Issuer Name and Ticker or Trading

(Print or Type Responses)

1(b).

(Last)

(City)

1. Name and Address of Reporting Person * Lemke Thomas P

(Zip)

5. Relationship of Reporting Person(s) to Issuer

OMB APPROVAL

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January 31,

2005

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Number:

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Symbol

(First) (Middle) LEGG MASON INC [LM]

3. Date of Earliest Transaction

(Month/Day/Year) 01/14/2011

Director 10% Owner Other (specify

(Check all applicable)

X_ Officer (give title below) General Counsel

LEGG MASON, INC., 100 INTERNATIONAL DRIVE

> (Street) 4. If Amendment, Date Original

> > (Month/Day/Year)

Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check

Applicable Line)

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

Person

BALTIMORE, MD 21202

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned 1.Title of 2. Transaction Date 2A. Deemed Security (Month/Day/Year) Execution Date, if (Instr. 3)

(State)

3. 4. Securities TransactionAcquired (A) or Code Disposed of (D) (Instr. 3, 4 and 5) (Instr. 8)

5. Amount of 6. Ownership 7. Nature of Securities Form: Direct Indirect Beneficially (D) or Beneficial Indirect (I) Ownership Owned Following (Instr. 4) (Instr. 4) Reported

(A) Transaction(s) or

Code V Amount (D) Price

(Instr. 3 and 4)

Common Stock

25,247 D

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)

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1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	4. Transacti Code (Instr. 8)	5. Number on f Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	Expiration Date (Month/Day/Year) ties red sed 3, 4,		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Price Derivati Security (Instr. 5
			Code V	(A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Phantom Stock Units (1)	(2)	01/14/2011	A	9.92	<u>(1)</u>	(1)	Common Stock	9.92	\$ 33.8

Reporting Owners

Reporting Owner Name / Address	Relationships						
	Director	10% Owner	Officer	Other			
Lemke Thomas P							
LEGG MASON, INC.			General				
100 INTERNATIONAL DRIVE			Counsel				
BALTIMORE, MD 21202							

Signatures

/s/ Elisabeth F. Craig, Attorney-in-fact-for Thomas P.
Lemke 01/19/2011

**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 10.4 for the fiscal year ended March 31, 2010.
- (2) 1-for-

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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