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LEGG MASON INC
Form 424B3
December 18, 2001

FILED PURSUANT TO RULE 424(b)(3) AND 424(c)
REGISTRATION NO. 333-68922

PROSPECTUS SUPPLEMENT NO. 5

(TO PROSPECTUS DATED OCTOBER 19, 2001)

\$567,285,000

LEGG MASON, INC.

LIQUID YIELD OPTION-TM- NOTES DUE 2031
(ZERO COUPON--SENIOR)

AND

COMMON STOCK ISSUABLE UPON CONVERSION OF THE LYONS

This document supplements the prospectus dated October 19, 2001 of Legg Mason, Inc. relating to the resale by certain holders of LYONS who are named as selling security holders of up to \$567,285,000 aggregate principal amount at maturity of LYONS and the shares of common stock issuable upon conversion of the LYONS.

You should read this prospectus supplement in conjunction with the prospectus dated October 19, 2001. This prospectus supplement is qualified by reference to the prospectus dated October 19, 2001, except to the extent that the information in this prospectus supplement supersedes the information contained in the October 19, 2001 prospectus.

The table of selling security holders beginning on page 39 of the prospectus is hereby amended to add the entities named below as selling security holders:

| NAME AND ADDRESS: ----- | PRINCIPAL AMOUNT AT MATURITY OF LYONS BENEFICIALLY OWNED THAT MAY BE SOLD ----- | PERCENTAGE OF LYONS OUTSTANDING ----- | NUMBER OF SHARES OF COMMON STOCK THAT MAY BE SOLD (1) (4) ----- | PERCENT COMMON OUTSTAN ----- |
|--|--|--|--|---------------------------------------|
| Allstate Life Insurance Company..... 3075 Sanders Road Suite G6B Northbrook, IL 60062 | \$ 3,050,000 | * | 23,504 | * |
| D.E. Shaw Investments, L.P..... 120 West 45th St., 39th Floor New York, NY 10036 | \$ 6,500,000 | 1.15% | 50,090 | * |
| D.E. Shaw Valence, L.P..... 120 West 45th St., 39th Floor New York, NY 10036 | \$26,200,000 | 4.62% | 201,902 | * |
| KBC Financial Products..... 140 East 45th Street 2 Grand Central Tower 42nd Floor New York, NY 10017 | \$ 5,000,000 | * | 38,531 | * |

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After giving effect to the addition of the foregoing selling security holders, the table of selling security holders reads as follows:

SELLING SECURITY HOLDERS

| NAME AND ADDRESS: ----- | PRINCIPAL AMOUNT AT MATURITY OF LYONS BENEFICIALLY OWNED THAT MAY BE SOLD ----- | PERCENTAGE OF LYONS OUTSTANDING ----- | NUMBER OF SHARES OF COMMON STOCK THAT MAY BE SOLD (1) (4) ----- | PERCENT COMMON OUTSTAN ----- |
|--|--|--|--|---------------------------------------|
| AIG SoundShore Opportunity Holding Fund Ltd. c/o DKR Management Company, Inc. 1281 East Main Street 3rd Floor Stamford, CT 06902 | \$ 3,264,000 | * | 25,153 | |
| AIG SoundShore Strategic Holding Fund Ltd. c/o DKR Management Company, Inc. 1281 East Main Street 3rd Floor Stamford, CT 06902 | \$ 1,836,000 | * | 14,149 | |
| Allstate Insurance Company..... 3075 Sanders Road Suite G6B Northbrook, IL 60062 | \$ 2,200,000 | * | 16,954 | |
| Allstate Life Insurance Company..... 3075 Sanders Road Suite G6B Northbrook, IL 60062 | \$ 3,050,000 | * | 23,504 | |
| Argent Classic Convertible Arbitrage Fund (Bermuda) Ltd..... 73 Front Street Hamilton HM 12 Bermuda | \$ 6,800,000 | 1.20% | 52,402 | |
| Argent Classic Convertible Arbitrage Fund L.P. 500 West Putnam Avenue 3rd Floor Greenwich, CT 06830-6086 | \$ 5,000,000 | * | 38,531 | |
| Argent Classic Arbitrage Fund Ltd..... 500 West Putnam Avenue 3rd Floor Greenwich, CT 06830-6086 | \$ 5,000,000 | * | 38,531 | |
| Continental Assurance Company..... On Behalf of its Separate Account (E) CNA Plaza, 23 South Chicago, IL 60685 | \$ 4,700,000 | * | 36,219 | |
| Continental Casualty Company..... CNA Plaza, 23 South Chicago, IL 60685 | \$ 28,500,000 | 5.02% | 219,627 | |

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| NAME AND ADDRESS: ----- | PRINCIPAL AMOUNT AT MATURITY OF LYONS BENEFICIALLY OWNED THAT MAY BE SOLD ----- | PERCENTAGE OF LYONS OUTSTANDING ----- | NUMBER OF SHARES OF COMMON STOCK THAT MAY BE SOLD (1) (4) ----- | PERCENT COMMON OUTSTAN ----- |
|---|--|--|--|---------------------------------------|
| Credit Suisse First Boston Corporation..... 11 Madison Avenue 7th Floor New York, NY 10010 | \$ 5,000,000 | * | 38,531 | |
| D.E. Shaw Investments, L.P..... 120 West 45th St., 39th Floor New York, NY 10036 | \$ 6,500,000 | 1.15% | 50,090 | |
| D.E. Shaw Valence, L.P..... 120 West 45th St., 39th Floor New York, NY 10036 | \$ 26,200,000 | 4.62% | 201,902 | |
| Deephaven Domestic Convertible Trading Ltd. 130 Cheshire Lane Suite 102 Minnetonka, MN 55305 | \$ 9,750,000 | 1.72% | 75,135 | |
| Dylan (IMA) Ltd..... Lydian Asset Management L.P. 101 East 52nd St. 36th Floor New York, NY 10022 | \$ 4,000,000 | * | 30,825 | |
| Global Bermuda Limited Partnership.... 601 Carlson Parkway Suite 200 Minnetonka, MN 55305 | \$ 5,500,000 | * | 42,384 | |
| JP Morgan Securities Inc. 500 Stanton Christiana Road Newark, DE 19713 | \$ 10,000,000 | 1.76% | 77,062 | |
| KBC Financial Products..... 140 East 45th Street 2 Grand Central Tower 42nd Floor New York, NY 10017 | \$ 5,000,000 | * | 38,531 | |
| Lakeshore International Ltd..... 601 Carlson Parkway Suite 200 Minnetonka, MN 55305 | \$ 27,550,000 | 4.86% | 212,306 | |
| Lydian Overseas Partners Master Fund..... Lydian Asset Management L.P. 101 East 52nd Street, 36th Floor New York, NY 10022 | \$ 19,300,000 | 3.40% | 148,730 | |
| Morgan Stanley & Co. 1585 Broadway New York, NY 10036 | \$ 25,800,000 | 4.55% | 198,820 | |

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| NAME AND ADDRESS: ----- | PRINCIPAL AMOUNT AT MATURITY OF LYONS BENEFICIALLY OWNED THAT MAY BE SOLD ----- | PERCENTAGE OF LYONS OUTSTANDING ----- | NUMBER OF SHARES OF COMMON STOCK THAT MAY BE SOLD (1) (4) ----- | PERCENT COMMON OUTSTAN ----- |
|--|--|--|--|---------------------------------------|
| Newport Investments, Inc. 130 Cheshire Lane Suite 102 Minnetonka, MN 55305 | \$ 750,000 | * | 5,780 | |
| RAM Trading Ltd. c/o SAM Investments 650 Warrenville Road Suite 408 Lisle, IL 60532 | \$ 10,000,000 | 1.76% | 77,062 | |
| RCG Latitude Master Fund..... 666 Third Ave., 26th Floor New York, NY 10019 | \$ 3,500,000 | * | 26,972 | |
| Salomon Smith Barney Inc. 390 Greenwich St. Convertibles, 3rd Floor New York, NY 10013 | \$ 8,350,000 | 1.47% | 64,347 | |
| SAM Investments LDC..... 650 Warrenville Road Suite 408 Lisle, IL 60532 | \$ 75,000,000 | 13.22% | 577,965 | |
| Tribeca Investments, L.L.C. 399 Park Ave. New York, NY 10043 | \$ 83,900,000 | 14.79% | 646,550 | 1 |
| UBS AG London Branch..... 100 Liverpool Street London EC2M 2RH United Kingdom | \$ 58,765,000 | 10.36% | 452,855 | |
| Worldwide Transactions Ltd. 48 Par La Ville Rd. Suite 778 Hamilton, HMII Bermuda | \$ 735,000 | * | 5,664 | |
| Any other holder of LYON's or future transferee, pledgee, donee or successor of any holder(3)..... | \$121,335,000 | 21.39% | 935,032 | 1 |

* Less than 1%.

(1) Assumes conversion of all of the holder's LYONS at a conversion rate of 7.7062 shares of common stock per \$1,000 principal amount at maturity of the LYONS. However, this conversion rate will be subject to adjustment as described under "Description of LYONS--Conversion Rights." As a result, the amount of common stock issuable upon conversion of the LYONS may increase or decrease in the future.

(2) Calculated based on 63,828,321 shares of common stock outstanding as of August 30, 2001. In calculating this amount, we treated as outstanding that number of shares of common stock issuable upon conversion of all of a particular holder's LYONS. However, we did not assume the conversion of any other holder's LYONS.

- (3) Information about other selling security holders will be set forth in prospectus supplements, if required.
- (4) Assumes that the holders of LYONS, or any future transferees, pledgees, donees or successors of or from any such holder of LYONS, do not beneficially own any common stock other than the common stock issuable upon conversion of the LYONS at the initial conversion rate.

We prepared this table based on the information supplied to us as of December 17, 2001, by the selling security holders named in the table. The selling security holders listed in the above table may have sold or transferred, in transactions exempt from the registration requirements of the Securities Act, some or all of their LYONS since the date on which the information is presented in the above table. Information about the selling security holders may change over time. Any changed information supplied to us will be set forth in future prospectus supplements.

Because the selling security holders may offer all or some of their LYONS or the underlying common stock from time to time, we cannot estimate the amount of the LYONS or the underlying common stock that will be held by the selling security holders upon the termination of any particular offering. See "Plan of Distribution."

INVESTING IN THE LYONS INVOLVES RISKS THAT ARE DESCRIBED IN THE "RISK FACTORS" SECTION BEGINNING ON PAGE 9 OF THE PROSPECTUS.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this prospectus supplement is December 18, 2001.

-TM-Trademark of Merrill Lynch & Co., Inc.