

HILL J TOMILSON
 Form 4
 January 15, 2009

FORM 4

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

OMB APPROVAL

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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 *
HILL J TOMILSON

2. Issuer Name and Ticker or Trading Symbol
Blackstone Group L.P. [BX]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
 345 PARK AVENUE
 (Street)

3. Date of Earliest Transaction
 (Month/Day/Year)
 01/15/2009

Director 10% Owner
 Officer (give title below) Other (specify below)
 Vice Chairman

NEW YORK, NY 10154
 (City) (State) (Zip)

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

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 Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership Indirect Beneficial Ownership (Instr. 4)		
				(A) or (D)	Code	V	Amount	(D)	Price

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

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SEC 1474
 (9-02)

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

1. Title of Derivative Security	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative Securities	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)
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(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8)	Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount Number Shares
Blackstone Holdings Partnership <u>(1)</u> <u>(2)</u>	<u>(3)</u>	01/15/2009		A			654,233		<u>(3)</u>	<u>(3)</u>	Common units representing limited partner interests	654,2

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
HILL J TOMILSON 345 PARK AVENUE NEW YORK, NY 10154	X		Vice Chairman	

Signatures

/s/ Robert L. Friedman as
Attorney-in-Fact

01/15/2009

__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) Granted under the 2007 Equity Incentive Plan. 545,194 of these deferred restricted Blackstone Holdings partnership units (which term refers collectively to a partnership unit in each of Blackstone Holdings I L.P., Blackstone Holdings II L.P., Blackstone Holdings III L.P., and Blackstone Holdings IV L.P.) will vest ratably over three years on each anniversary of the grant date subject to Mr. Hill's continued employment with Blackstone. The other 109,039 of these deferred restricted Blackstone Holdings partnership units will vest on the three year anniversary of the grant date subject to Mr. Hill's continued employment with Blackstone. (Continued to footnote 2)

(2) As these deferred restricted Blackstone Holdings partnership units vest, the underlying Blackstone Holdings units will be delivered to the reporting person except that no more than 1/3 of the vested deferred units will be delivered between the first and second anniversaries of the grant date, no more than 2/3 of the vested units will be delivered between the second and third anniversaries of the grant date, and no more than 3/4 of the vested units will be delivered during his service with Blackstone (with the remaining units to be delivered after the completion of his restrictive covenant period). Notwithstanding the foregoing, the units may be delivered earlier upon a change in control of Blackstone.

(3) Pursuant to an exchange agreement, holders of Blackstone Holdings partnership units, subject to the vesting and minimum retained ownership requirements and transfer restrictions set forth in the partnership agreements of the Blackstone Holdings partnerships, may up to four times each year (subject to the terms of the exchange agreement) exchange their Blackstone Holdings partnership units for The Blackstone Group L.P., common units on a one-for-one basis, subject to customary conversion rate adjustments for splits, unit distributions and reclassifications. A Blackstone Holdings limited partner must exchange one partnership unit in each of the four Blackstone Holdings partnerships to effect an exchange for a common unit. Notwithstanding the foregoing, the reported Blackstone Holdings partnership units may not be exchanged at any time prior to December 31, 2009 other than pursuant to transactions or programs approved by Blackstone.

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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