

Murphy Terrence  
Form 3  
July 19, 2010

**FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

OMB APPROVAL

OMB Number: 3235-0104  
Expires: January 31, 2005  
Estimated average burden hours per response... 0.5

**INITIAL STATEMENT OF 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 \*

^ Murphy Terrence  
(Last) (First) (Middle)

LEGG MASON, INC., ^ 100  
INTERNATIONAL DRIVE

(Street)

BALTIMORE, ^ MD ^ 21202

(City) (State) (Zip)

2. Date of Event Requiring Statement

(Month/Day/Year)  
07/07/2010

3. Issuer Name and Ticker or Trading Symbol  
LEGG MASON INC [LM]

4. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director  10% Owner  
 Officer  Other  
(give title below) (specify below)  
Chief Financial Officer

5. 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 Beneficially Owned**

1. Title of Security (Instr. 4)

2. Amount of Securities Beneficially Owned (Instr. 4)

3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)

4. Nature of Indirect Beneficial Ownership (Instr. 5)

Common Stock

7,838

D ^

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

SEC 1473 (7-02)

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

**Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security (Instr. 4)

2. Date Exercisable and Expiration Date (Month/Day/Year)

3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)  
Title

4. Conversion or Exercise Price of Derivative Security

5. Ownership Form of Derivative Security: Direct (D)

6. Nature of Indirect Beneficial Ownership (Instr. 5)

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	Date Exercisable	Expiration Date		Amount or Number of Shares		or Indirect (I) (Instr. 5)	
Stock Options (Right to buy)	Â (1)	07/22/2014	Common Stock	3,000	\$ 94.45	D	Â
Stock Options (Right to buy)	Â (2)	07/22/2015	Common Stock	5,000	\$ 100.77	D	Â
Stock Options (Right to buy)	Â (3)	07/22/2016	Common Stock	8,000	\$ 33.97	D	Â

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Murphy Terrence LEGG MASON, INC. 100 INTERNATIONAL DRIVE BALTIMORE, MD 21202	Â	Â	Â Chief Financial Officer	Â

## Signatures

/s/ Elisabeth F. Craig, Attorney-in-fact for Terrence J. Murphy 07/19/2010

\_\_Signature of Reporting Person

Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 5(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) The option vests annually in 20% increments and commenced on July 23, 2007.
- (2) The option vests annually in 20% increments and commenced on July 23, 2008.
- (3) The option vests annually in 20% increments and commenced on July 23, 2009.

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.