

Lemke Thomas P
 Form 3
 December 22, 2010

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

OMB APPROVAL

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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 * | | 2. Date of Event Requiring Statement | 3. Issuer Name and Ticker or Trading Symbol | |
| Â Lemke Thomas P | | (Month/Day/Year) | LEGG MASON INC [LM] | |
| (Last) | (First) | (Middle) | 4. Relationship of Reporting Person(s) to Issuer | 5. If Amendment, Date Original Filed(Month/Day/Year) |
| | | 12/20/2010 | | |
| LEGG MASON, INC.,Â 100 INTERNATIONAL DRIVE | | | (Check all applicable) | |
| | (Street) | | <input type="checkbox"/> Director | <input type="checkbox"/> 10% Owner |
| | | | <input checked="" type="checkbox"/> Officer | <input type="checkbox"/> Other |
| | | | (give title below) | (specify below) |
| | | | General Counsel | |
| BALTIMORE,Â MDÂ 21202 | | | 6. Individual or Joint/Group Filing(Check Applicable Line) | |
| (City) | (State) | (Zip) | <input checked="" type="checkbox"/> Form filed by One Reporting Person | |
| | | | <input type="checkbox"/> 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 | 25,247 | D | Â |

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

SEC 1473 (7-02)

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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) | 4. Conversion or Exercise Price of Derivative Security | 5. Ownership Form of Derivative Security: Direct (D) | 6. Nature of Indirect Beneficial Ownership (Instr. 5) |
|--|--|---|--|--|---|
| | | Title | | | |

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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) | 07/22/2013 | Common Stock | 5,000 | \$ 77.72 | D | Â |
| Stock Options (Right to buy) | Â (2) | 07/19/2013 | Common Stock | 10,000 | \$ 104 | D | Â |
| Stock Options (Right to buy) | Â (3) | 07/22/2013 | Common Stock | 10,000 | \$ 122.91 | D | Â |
| Stock Options (Right to buy) | Â (4) | 07/22/2014 | Common Stock | 10,000 | \$ 95.66 | D | Â |
| Stock Options (Right to buy) | Â (5) | 07/22/2015 | Common Stock | 15,000 | \$ 100.77 | D | Â |
| Stock Options (Right to buy) | Â (6) | 07/22/2016 | Common Stock | 15,000 | \$ 33.97 | D | Â |
| Stock Options (Right to buy) | Â (7) | 07/22/2017 | Common Stock | 12,000 | \$ 27.45 | D | Â |
| Stock Options (Right to buy) | Â (8) | 05/18/2018 | Common Stock | 11,080 | \$ 33.25 | D | Â |
| Phantom Stock | Â (9) | Â (9) | Common Stock | 5,604.87 | \$ (9) | D | Â |

Reporting Owners

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

Signatures

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

12/22/2010

**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, 2006.
 - (2) The option vests annually in 25% increments and commenced on July 19, 2006.
 - (3) The option vests annually in 20% increments and commenced on July 23, 2006.
 - (4) The option vests annually in 20% increments and commenced on July 23, 2007.

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- (5) The option vests annually in 20% increments and commenced on July 23, 2008.
- (6) The option vests annually in 20% increments and commenced on July 23, 2009.
- (7) The option vests annually in 20% increments and commenced on July 23, 2010.
- (8) The option vests annually in 20% increments and commenced on May 31, 2011.
- (9) Each share of phantom stock is the economic equivalent of one share of LM common stock. The shares of phantom stock will be settled in shares of LM common stock upon termination of the reporting person's employment with LM.

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.