

MAGELLAN HEALTH SERVICES INC  
 Form 4  
 May 18, 2006

**FORM 4**

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

OMB APPROVAL

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**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 \*  
 BURIAN SAUL

(Last) (First) (Middle)

C/O HOULIHAN LOKEY  
 HOWARD & ZOKIN, 245 PARK AVENUE

(Street)

NEW YORK, NY 10167

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
 MAGELLAN HEALTH SERVICES INC [MGLN]

3. Date of Earliest Transaction (Month/Day/Year)  
 05/16/2006

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

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 Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
				(A) or (D) Price			
Ordinary Common Stock, \$0.01 par value <sup>(1)</sup>	05/16/2006		A	750 <sup>(2)</sup> A \$ 0	6,469	D	

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

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number.

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

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	Amount or Number of Shares
Stock Option (Right to Buy)	\$ 40.21	05/16/2006 <sup>(3)</sup>		A	5,856	05/16/2007 <sup>(4)</sup> 05/16/2016	Common Stock	5,856

## Reporting Owners

### Reporting Owner Name / Address

### Relationships

Director    10% Owner    Officer    Other

BURIAN SAUL  
C/O HOULIHAN LOKEY HOWARD & ZOKIN  
245 PARK AVENUE  
NEW YORK, NY 10167

X

## Signatures

/s/ Saul Burian                      05/17/2006

\*\*Signature of                      Date  
Reporting Person

## 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) The restricted shares were granted pursuant to the 2006 Director Equity Compensation Plan approved by the shareholders of the Issuer on May 16, 2006.
- (2) Shares shall vest fully in one year from the date of grant.
- (3) The option grant was made pursuant 2006 Director Equity Compensation Plan approved by the shareholders of the Issuer on May 16, 2006. As per the plan, the exercise price of the options was the fair market value on the date of grant determined by using the average of the opening and closing price of the Issuer's Ordinary Common Stock on NASDAQ on May 16, 2006.
- (4) Options vest and become exercisable one year from the date of grant.
- (5) Not applicable.

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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