

MAGELLAN HEALTH SERVICES INC  
 Form 4  
 January 05, 2011

**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 \*  
**LERER RENE**

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
**55 NOD ROAD**  
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)  
**01/03/2011**

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

**AVON, CT 06001**

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

(City) (State) (Zip)

**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) |
|---|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
|   |                                      |  | Code                           | V Amount (A) or (D) Price   |   |  |                                   |
| Ordinary Common Stock, \$0.01 par value | 01/03/2011                           |  | X <sup>(1)</sup>               | 600 A \$ 32.91  | 54,913  | D  |                                   |
| Ordinary Common Stock, \$0.01 par value | 01/03/2011                           |  | S <sup>(1)</sup>               | 600 D \$ 48.07  | 54,313  | D  |                                   |

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

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(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 (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 Acquired (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) | 8. Price or Value of Underlying Securities (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|---|
| Stock Option (right to buy)                | \$ 32.91   | 01/03/2011                           |  | X <sup>(1)</sup>               | 600   | <sup>(2)</sup> 03/04/2019                                | Common Stock  | 600 \$ 0  |

## Reporting Owners

| Reporting Owner Name / Address              | Relationships |           |                         |       |
|---|---------------|-----------|-------------------------|-------|
|   | Director      | 10% Owner | Officer                 | Other |
| LERER RENE<br>55 NOD ROAD<br>AVON, CT 06001 | X             |           | Chief Executive Officer |       |

## Signatures

/s/ Rene Lerer                      01/05/2011  
 \*\*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) This transaction was effectuated pursuant to a Rule 10b5-1 Plan.
- (2) Of the 243,933 stock options in this tranche, 81,311 vested on 3/4/10. The balance of 162,622 options shall vest in equal increments on each of March 4 of 2011 and 2012.
- (3) 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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