

TOLL ROBERT I
Form 4
October 24, 2006

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

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 *
TOLL ROBERT I

2. Issuer Name and Ticker or Trading Symbol
TOLL BROTHERS INC [TOL]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
250 GIBRALTAR ROAD

3. Date of Earliest Transaction (Month/Day/Year)
10/23/2006

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

Chief Executive Officer

(Street)
HORSHAM, PA 19044

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 Indirect Beneficial Ownership (Instr. 4)
			Code	V Amount (D) Price			
Common Stock	10/23/2006		M	44,974 A \$ 0	15,989,164	D	
Common Stock					2,586	I	401(k) Plan
Common Stock					157,011	I	By GRAT-Expires October, 2007
Common Stock					12,248	I	By GRAT-Expires September, 2007

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Common Stock	2,790,714	I	Entities wholly owned by reporting person
Common Stock	328,420 ⁽¹⁾	I	Partnership
Common Stock	48,790 ⁽²⁾	I	Trusts

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 (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)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount or Number of Shares
Phantom Stock	\$ 0					12/12/2004 12/12/2004	Common Stock 471,099
Phantom Stock	\$ 0	10/23/2006		M	44,974	10/23/2006 10/22/2004	Common Stock 44,974
Stock Options (Right to buy)	\$ 4.375					12/20/1999 12/20/2009	Common Stock 3,000,000
Stock Options (Right to buy)	\$ 4.875					03/14/1997 03/14/2007	Common Stock 170,000
Stock Options (Right to buy)	\$ 5.5782					12/30/1998 12/30/2008	Common Stock 190,000
Stock Options (Right to buy)	\$ 5.7188					12/20/1999 12/20/2008	Common Stock 1,000,000

buy)

Stock Options (Right to buy)	\$ 5.7657	11/03/1998	11/03/2007	Common Stock	200,000
Stock Options (Right to buy)	\$ 6	11/02/1999	11/02/2008	Common Stock	200,000
Stock Options (Right to buy)	\$ 6.8594	12/30/1997	12/30/2007	Common Stock	960,000
Stock Options (Right to buy)	\$ 7.375	03/13/1998	03/13/2008	Common Stock	250,000
Stock Options (Right to buy)	\$ 9.6563	12/20/2001	12/20/2010	Common Stock	1,000,000
Stock Options (Right to buy)	\$ 10.525	12/20/2003	12/20/2012	Common Stock	500,000
Stock Options (Right to buy)	\$ 10.88	12/20/2002	12/20/2011	Common Stock	1,000,000
Stock Options (Right to buy)	\$ 20.135	12/20/2004	12/20/2013	Common Stock	500,000
Stock Options (Right to buy)	\$ 32.55	12/20/2005	12/20/2014	Common Stock	500,000
Stock Options (Right to buy)	\$ 35.97	12/20/2006	12/20/2015	Common Stock	250,000

Reporting Owners

Reporting Owner Name / Address	Relationships
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Reporting Owners

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	Director	10% Owner	Officer	Other
TOLL ROBERT I 250 GIBRALTAR ROAD HORSHAM, PA 19044	X	X	Chief Executive Officer	

Signatures

Kathryn G. Flanagan, Attorney-in-Fact	10/24/2006
__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).
- (4) The exercisable date and expiration date of the remaining balance is 10/22/2006.
- (3) The exercisable date and the expiration date of the remaining balance is 12/16/2006.
- (1) By a partnership of which trusts *f/b/o* the reporting person's children are the sole partners. The reporting person's spouse is co-trustee of such trusts.
- (2) By trusts *f/b/o* the reporting person's children and grandchildren. The reporting person's spouse is a co-trustee of such trusts.

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.