

Edgar Filing: LEGG MASON INC - Form 424B3

LEGG MASON INC  
 Form 424B3  
 November 09, 2001

Filed pursuant to Rule 424(b)(3) and 424(c)  
 Registration No. 333-68922

PROSPECTUS SUPPLEMENT NO. 2

(TO PROSPECTUS DATED OCTOBER 19, 2001)

\$567,285,000

LEGG MASON, INC.

LIQUID YIELD OPTION-TM- NOTES DUE 2031  
 (ZERO COUPON--SENIOR)

AND

COMMON STOCK ISSUABLE UPON CONVERSION OF THE LYONS

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This document supplements the prospectus dated October 19, 2001 of Legg Mason, Inc. relating to the resale by certain holders of LYONS who are named as selling security holders of up to \$567,285,000 aggregate principal amount at maturity of LYONS and the shares of common stock issuable upon conversion of the LYONS.

You should read this prospectus supplement in conjunction with the prospectus dated October 19, 2001. This prospectus supplement is qualified by reference to the prospectus dated October 19, 2001, except to the extent that the information in this prospectus supplement supersedes the information contained in the October 19, 2001 prospectus.

The table of selling security holders beginning on page 39 of the prospectus is hereby amended to add the entities named below as selling security holders:

NAME AND ADDRESS: -----	PRINCIPAL AMOUNT AT MATURITY OF LYONS BENEFICIALLY OWNED THAT MAY BE SOLD -----	PERCENTAGE OF LYONS OUTSTANDING -----	NUMBER OF SHARES OF COMMON STOCK THAT MAY BE SOLD (1) (4) -----	PERCENT COMMON OUTSTAN -----
Morgan Stanley & Co..... 1585 Broadway New York, NY 10036	\$20,800,000	*	160,289	

After giving effect to the addition of the foregoing selling security holders, the table of selling security holders reads as follows:

SELLING SECURITY HOLDERS

PRINCIPAL AMOUNT AT MATURITY OF LYONS BENEFICIALLY	PERCENTAGE	NUMBER OF SHARES OF COMMON STOCK	PERCENT
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NAME AND ADDRESS: -----	OWNED THAT MAY BE SOLD -----	OF LYONS OUTSTANDING -----	THAT MAY BE SOLD (1) (4) -----	COMMON OUTSTAN -----
AIG SoundShore Opportunity Holding Fund Ltd. .... c/o DKR Management Company, Inc. 1281 East Main Street 3rd Floor Stamford, CT 06902	\$ 3,264,000	*	25,153	
AIG SoundShore Strategic Holding Fund Ltd. .... c/o DKR Management Company, Inc. 1281 East Main Street 3rd Floor Stamford, CT 06902	\$ 1,836,000	*	14,149	
Allstate Insurance Company..... 3075 Sanders Road Suite G6B Northbrook, IL 60062	\$ 2,200,000	*	16,954	
Allstate Life Insurance Company..... 3075 Sanders Road Suite G6B Northbrook, IL 60062	\$ 5,050,000	*	38,916	
Argent Classic Convertible Arbitrage Fund (Bermuda) Ltd..... 73 Front Street Hamilton HM 12 Bermuda	\$ 6,800,000	1.20%	52,402	
Argent Classic Convertible Arbitrage Fund L.P. .... 500 West Putnam Avenue 3rd Floor Greenwich, CT 06830-6086	\$ 5,000,000	*	38,531	
Argent Classic Arbitrage Fund Ltd..... 500 West Putnam Avenue 3rd Floor Greenwich, CT 06830-6086	\$ 5,000,000	*	38,531	
Continental Assurance Company..... On Behalf of its Separate Account (E) CNA Plaza, 23 South Chicago, IL 60685	\$ 4,700,000	*	36,219	
Continental Casualty Company..... CNA Plaza, 23 South Chicago, IL 60685	\$ 28,500,000	*	219,627	

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NAME AND ADDRESS: -----	PRINCIPAL AMOUNT AT MATURITY OF LYONS BENEFICIALLY OWNED THAT MAY BE SOLD -----	PERCENTAGE OF LYONS OUTSTANDING -----	NUMBER OF SHARES OF COMMON STOCK THAT MAY BE SOLD (1) (4) -----	PERCENT COMMON OUTSTAN -----
Deephaven Domestic Convertible Trading Ltd. ....	\$ 9,750,000	1.72%	75,135	

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130 Cheshire Lane Suite 102 Minnetonka, MN 55305				
Global Bermuda Limited Partnership....	\$ 5,500,000	*	42,384	
601 Carlson Parkway Suite 200 Minnetonka, MN 55305				
KBC Financial Products.....	\$ 2,500,000	*	19,266	
140 East 45th Street 2 Grand Central Tower 42nd Floor New York, NY 10017				
Lakeshore International Ltd.....	\$ 27,550,000	4.86%	212,306	
601 Carlson Parkway Suite 200 Minnetonka, MN 55305				
Lydian Overseas Partners Master Fund.....	\$ 19,300,000	3.40%	148,730	
Lydian Asset Management L.P. 101 East 52nd Street, 36th Floor New York, NY 10022				
Morgan Stanley & Co. ....	\$ 25,800,000	*	198,820	
1585 Broadway New York, NY 10036				
Newport Investments, Inc. ....	\$ 750,000	*	5,780	
130 Cheshire Lane Suite 102 Minnetonka, MN 55305				
RAM Trading Ltd. ....	\$ 10,000,000	1.76%	77,062	
c/o SAM Investments 650 Warrenville Road Suite 408 Lisle, IL 60532				
RCG Latitude Master Fund.....	\$ 3,500,000	*	26,972	
666 Third Ave., 26th Floor New York, NY 10019				
Salomon Smith Barney Inc. ....	\$ 8,350,000	1.47%	64,347	
390 Greenwich St. Convertibles, 3rd Floor New York, NY 10013				
SAM Investments LDC.....	\$ 75,000,000	13.22%	577,965	
650 Warrenville Road Suite 408 Lisle, IL 60532				

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NAME AND ADDRESS: -----	PRINCIPAL AMOUNT AT MATURITY OF LYONS BENEFICIALLY OWNED THAT MAY BE SOLD -----	PERCENTAGE OF LYONS OUTSTANDING -----	NUMBER OF SHARES OF COMMON STOCK THAT MAY BE SOLD (1) (4) -----	PERCENT COMMON OUTSTAN -----
Tribeca Investments, L.L.C. .... 399 Park Ave.	\$ 83,900,000	14.79%	646,550	1

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New York, NY 10043			
UBS AG London Branch.....	\$ 58,765,000	10.36%	452,855
100 Liverpool Street			
London EC2M 2RH			
United Kingdom			
Worldwide Transactions Ltd. ....	\$ 735,000	*	5,664
48 Par La Ville Rd.			
Suite 778			
Hamilton, HMII Bermuda			
Any other holder of LYON's or future			
transferee, pledgee, donee or			
successor of any holder(3).....	\$173,535,000	30.59%	1,337,296

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 \* Less than 1%.

- (1) Assumes conversion of all of the holder's LYONS at a conversion rate of 7.7062 shares of common stock per \$1,000 principal amount at maturity of the LYONS. However, this conversion rate will be subject to adjustment as described under "Description of LYONS--Conversion Rights." As a result, the amount of common stock issuable upon conversion of the LYONS may increase or decrease in the future.
- (2) Calculated based on 63,828,321 shares of common stock outstanding as of August 30, 2001. In calculating this amount, we treated as outstanding that number of shares of common stock issuable upon conversion of all of a particular holder's LYONS. However, we did not assume the conversion of any other holder's LYONS.
- (3) Information about other selling security holders will be set forth in prospectus supplements, if required.
- (4) Assumes that the holders of LYONS, or any future transferees, pledgees, donees or successors of or from any such holder of LYONS, do not beneficially own any common stock other than the common stock issuable upon conversion of the LYONS at the initial conversion rate.

We prepared this table based on the information supplied to us as of November 8, 2001, by the selling security holders named in the table. The selling security holders listed in the above table may have sold or transferred, in transactions exempt from the registration requirements of the Securities Act, some or all of their LYONS since the date on which the information is presented in the above table. Information about the selling security holders may change over time. Any changed information supplied to us will be set forth in future prospectus supplements.

Because the selling security holders may offer all or some of their LYONS or the underlying common stock from time to time, we cannot estimate the amount of the LYONS or the underlying

common stock that will be held by the selling security holders upon the termination of any particular offering. See "Plan of Distribution."

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 INVESTING IN THE LYONS INVOLVES RISKS THAT ARE DESCRIBED IN THE "RISK FACTORS" SECTION BEGINNING ON PAGE 9 OF THE PROSPECTUS.

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NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES  
COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE  
ADEQUACY OR ACCURACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A  
CRIMINAL OFFENSE.

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The date of this prospectus supplement is November 9, 2001.

-TM-Trademark of Merrill Lynch & Co., Inc.