

Edgar Filing: LEGG MASON INC - Form 424B3

LEGG MASON INC  
Form 424B3  
June 24, 2002

FILED PURSUANT TO RULE 424(b)3  
FILE NO. 333-68922

PROSPECTUS SUPPLEMENT NO. 11

(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:<br>-----  | PRINCIPAL AMOUNT<br>AT MATURITY OF<br>LYONS BENEFICIALLY<br>OWNED THAT<br>MAY BE SOLD<br>----- | PERCENTAGE<br>OF LYONS<br>OUTSTANDING<br>----- | NUMBER OF<br>SHARES OF<br>COMMON STOCK<br>THAT MAY BE<br>SOLD (1) (4)<br>----- | PERCENT<br>COMMON<br>OUTSTAN<br>----- |
|---|--|--|--|---------------------------------------|
| Bear Stearns International, Limited...<br>c/o Bear Stearns & Co., Inc.<br>383 Madison Avenue, 4th Floor<br>New York, NY 10179 | \$16,315,000   | 2.88%  | 125,727  |                                       |

After giving effect to the addition of the foregoing selling security holders and the insertion of a new footnote (5) to the following table, the table of selling security holders reads as follows:

SELLING SECURITY HOLDERS

| PRINCIPAL AMOUNT | NUMBER OF |
|------------------|-----------|
|------------------|-----------|

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| NAME AND ADDRESS:<br>-----   | AT MATURITY OF<br>LYONS BENEFICIALLY<br>OWNED THAT<br>MAY BE SOLD (5)<br>----- | PERCENTAGE<br>OF LYONS<br>OUTSTANDING<br>----- | SHARES OF<br>COMMON STOCK<br>THAT MAY BE<br>SOLD (1) (4)<br>----- | PERCENT<br>COMMON<br>OUTSTAN<br>----- |
|--|--|--|---|---------------------------------------|
| AIG SoundShore Opportunity Holding<br>Fund Ltd. ....<br>c/o DKR Management Company, Inc.<br>1281 East Main Street<br>3rd Floor<br>Stamford, CT 06902 | \$ 3,264,000   | *  | 25,153  |                                       |
| AIG SoundShore Strategic Holding Fund<br>Ltd. ....<br>c/o DKR Management Company, Inc.<br>1281 East Main Street<br>3rd Floor<br>Stamford, CT 06902   | \$ 1,836,000   | *  | 14,149  |                                       |
| Allstate Insurance Company.....<br>3075 Sanders Road<br>Suite G6B<br>Northbrook, IL 60062  | \$ 2,200,000   | *  | 16,954  |                                       |
| Allstate Life Insurance Company.....<br>3075 Sanders Road<br>Suite G6B<br>Northbrook, IL 60062   | \$ 3,050,000   | *  | 23,504  |                                       |
| Argent Classic Convertible Arbitrage<br>Fund (Bermuda) Ltd.....<br>73 Front Street<br>Hamilton HM 12<br>Bermuda                                      | \$ 6,800,000   | 1.20%  | 52,402  |                                       |
| Argent Classic Convertible Arbitrage<br>Fund L.P. ....<br>500 West Putnam Avenue<br>3rd Floor<br>Greenwich, CT 06830-6086                            | \$ 5,000,000   | *  | 38,531  |                                       |
| Argent Classic Arbitrage Fund Ltd.....<br>500 West Putnam Avenue<br>3rd Floor<br>Greenwich, CT 06830-6086  | \$ 5,000,000   | *  | 38,531  |                                       |
| Bear Stearns International, Limited...<br>c/o Bear Stearns & Co., Inc.<br>383 Madison Avenue, 4th Floor<br>New York, NY 10179                        | \$ 16,315,000  | 2.88%  | 125,727   |                                       |
| Circler (IMA) Limited.....<br>c/o Camden Asset Management LP<br>2049 Century Park East, Suite 330<br>Los Angeles, CA 90067                           | \$ 3,000,000   | *  | 23,119  |                                       |

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| NAME AND ADDRESS:<br>----- | PRINCIPAL AMOUNT<br>AT MATURITY OF<br>LYONS BENEFICIALLY<br>OWNED THAT<br>MAY BE SOLD (5)<br>----- | PERCENTAGE<br>OF LYONS<br>OUTSTANDING<br>----- | NUMBER OF<br>SHARES OF<br>COMMON STOCK<br>THAT MAY BE<br>SOLD (1) (4)<br>----- | PERCENT<br>COMMON<br>OUTSTAN<br>----- |
|----------------------------|--|--|--|---------------------------------------|
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|--|---------------|--------|---------|
| Continental Assurance Company.....<br>On Behalf of its Separate Account<br>(E)<br>CNA Plaza, 23 South<br>Chicago, IL 60685 | \$ 4,700,000  | *      | 36,219  |
| Continental Casualty Company.....<br>CNA Plaza, 23 South<br>Chicago, IL 60685  | \$ 28,500,000 | 5.02%  | 219,627 |
| Credit Suisse First Boston Corp.<br>London.....  | \$ 57,500,000 | 10.14% | 443,107 |
| c/o Credit Suisse First Boston<br>Corporation<br>11 Madison Avenue<br>7th Floor<br>New York, NY 10010                      |               |        |         |
| Credit Suisse First Boston<br>Corporation.....   | \$ 5,040,000  | *      | 38,839  |
| 11 Madison Avenue<br>7th Floor<br>New York, NY 10010   |               |        |         |
| D.E. Shaw Investments, L.P.....<br>120 West 45th St., 39th Floor<br>New York, NY 10036                                     | \$ 6,500,000  | 1.15%  | 50,090  |
| D.E. Shaw Valence, L.P.....<br>120 West 45th St., 39th Floor<br>New York, NY 10036   | \$ 26,200,000 | 4.62%  | 201,902 |
| Deephaven Domestic Convertible<br>Trading Ltd. ....  | \$ 9,750,000  | 1.72%  | 75,135  |
| 130 Cheshire Lane<br>Suite 102<br>Minnetonka, MN 55305   |               |        |         |
| Deutsche Banc Alex Brown Inc.....<br>1251 Avenue of the Americas<br>New York, NY 10020                                     | \$ 5,000,000  | *      | 38,531  |
| Dylan (IMA) Ltd.....<br>Lydian Asset Management L.P.<br>101 East 52nd St.<br>36th Floor<br>New York, NY 10022              | \$ 4,000,000  | *      | 30,825  |
| Global Bermuda Limited Partnership....<br>601 Carlson Parkway<br>Suite 200<br>Minnetonka, MN 55305                         | \$ 5,500,000  | *      | 42,384  |
| Hamilton Partners Limited.....<br>415 Madison Avenue, 19th Floor<br>New York, NY 10007                                     | \$ 7,300,000  | 1.29%  | 56,255  |
| JP Morgan Securities Inc. ....<br>500 Stanton Christiana Road<br>Newark, DE 19713  | \$ 10,000,000 | 1.76%  | 77,062  |

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| NAME AND ADDRESS: | PRINCIPAL AMOUNT<br>AT MATURITY OF<br>LYONS BENEFICIALLY<br>OWNED THAT<br>MAY BE SOLD (5) | PERCENTAGE<br>OF LYONS<br>OUTSTANDING | NUMBER OF<br>SHARES OF<br>COMMON STOCK<br>THAT MAY BE<br>SOLD (1) (4) | PERCENT<br>COMMON<br>OUTSTAN |
|-------------------|---|---------------------------------------|---|------------------------------|
| -----             | -----   | -----                                 | -----   | -----                        |

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|--|---------------|-------|---------|
| KBC Financial Products.....            | \$ 5,000,000  | *     | 38,531  |
| 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                   |               |       |         |
| Lehman Brothers Inc.....               | \$ 6,000,000  | 1.06% | 46,237  |
| 745 Park Avenue                        |               |       |         |
| New York, NY 10285                     |               |       |         |
| Lincoln National Global Asset          |               |       |         |
| Allocation Fund, Inc.....              | \$ 320,000    | *     | 2,466   |
| c/o Putnam Investment Management,      |               |       |         |
| LLC                                    |               |       |         |
| Investors Way, N-3-L                   |               |       |         |
| Norwood, MA 02062                      |               |       |         |
| 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                     |               |       |         |
| Merrill Lynch Pierce Fenner & Smith,   |               |       |         |
| Inc.....                               | \$ 4,155,000  | *     | 32,019  |
| 101 Hudson Street                      |               |       |         |
| Jersey City, NJ 07302                  |               |       |         |
| Morgan Stanley & Co. ....              | \$ 25,800,000 | 4.55% | 198,820 |
| 1585 Broadway                          |               |       |         |
| New York, NY 10036                     |               |       |         |
| Newport Investments, Inc. ....         | \$ 750,000    | *     | 5,780   |
| 130 Cheshire Lane                      |               |       |         |
| Suite 102                              |               |       |         |
| Minnetonka, MN 55305                   |               |       |         |
| Putnam Asset Allocation Funds-         |               |       |         |
| Conservative Portfolio.....            | \$ 2,560,000  | *     | 19,728  |
| c/o Putnam Investment Management,      |               |       |         |
| LLC                                    |               |       |         |
| Investors Way, N-3-L                   |               |       |         |
| Norwood, MA 02062                      |               |       |         |
| Putnam Asset Allocation Funds-Balanced |               |       |         |
| Portfolio.....                         | \$ 1,960,000  | *     | 15,104  |
| c/o Putnam Investment Management,      |               |       |         |
| LLC                                    |               |       |         |
| Investors Way, N-3-L                   |               |       |         |
| Norwood, MA 02062                      |               |       |         |

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| NAME AND ADDRESS: | PRINCIPAL AMOUNT<br>AT MATURITY OF<br>LYONS BENEFICIALLY<br>OWNED THAT<br>MAY BE SOLD (5) | PERCENTAGE<br>OF LYONS<br>OUTSTANDING | NUMBER OF<br>SHARES OF<br>COMMON STOCK<br>THAT MAY BE<br>SOLD (1) (4) | PERCENT<br>COMMON<br>OUTSTAN |
|-------------------|---|---------------------------------------|---|------------------------------|
| -----             | -----   | -----                                 | -----   | -----                        |

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|--|---------------|--------|---------|
| Putnam Convertible Income-Growth Trust.....  | \$ 18,950,000 | 3.34%  | 146,033 |
| c/o Putnam Investment Management, LLC<br>Investors Way, N-3-L<br>Norwood, MA 02062           |               |        |         |
| Putnam Convertible Opportunities and Income Trust.....                                       | \$ 670,000    | *      | 5,163   |
| c/o Putnam Investment Management, LLC<br>Investors Way, N-3-L<br>Norwood, MA 02062           |               |        |         |
| Putnam Variable Trust--Putnam VT Global Asset Allocation Fund.....                           | \$ 670,000    | *      | 5,163   |
| c/o Putnam Investment Management, LLC<br>Investors Way, N-3-L<br>Norwood, MA 02062           |               |        |         |
| RAM Trading Ltd. ....  | \$ 10,000,000 | 1.76%  | 77,062  |
| c/o SAM Investments<br>650 Warrenville Road<br>Suite 408<br>Lisle, IL 60532                  |               |        |         |
| RCG Latitude Master Fund.....  | \$ 3,500,000  | *      | 26,972  |
| 666 Third Ave.,<br>26th Floor<br>New York, NY 10019  |               |        |         |
| Salomon Smith Barney Inc. ....   | \$ 8,350,000  | 1.47%  | 64,347  |
| 390 Greenwich St.<br>Convertibles, 3rd Floor<br>New York, NY 10013                           |               |        |         |
| S.A.C. Capital Associates, LLC.....  | \$ 16,500,000 | 2.91%  | 127,152 |
| c/o S.A.C. Capital Advisors, LLC<br>777 Long Ridge Road<br>Stamford, CT 06902                |               |        |         |
| SAM Investments LDC.....   | \$ 50,000,000 | 8.81%  | 385,310 |
| 650 Warrenville Road<br>Suite 408<br>Lisle, IL 60532   |               |        |         |
| St. Albans Partners LTD .....  | \$ 6,000,000  | 1.06%  | 46,237  |
| c/o Camden Asset Management LP<br>2049 Century Park East, Suite 330<br>Los Angeles, CA 90067 |               |        |         |
| Tribeca Investments, L.L.C. ....   | \$ 83,900,000 | 14.79% | 646,550 |
| 399 Park Ave.<br>New York, NY 10043  |               |        |         |

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| NAME AND ADDRESS:<br>-----                        | PRINCIPAL AMOUNT<br>AT MATURITY OF<br>LYONS BENEFICIALLY<br>OWNED THAT<br>MAY BE SOLD (5)<br>----- | PERCENTAGE<br>OF LYONS<br>OUTSTANDING<br>----- | NUMBER OF<br>SHARES OF<br>COMMON STOCK<br>THAT MAY BE<br>SOLD (1) (4)<br>----- | PERCENT<br>COMMON<br>OUTSTAN<br>----- |
|---|--|--|--|---------------------------------------|
| UBS AG London Branch.....<br>100 Liverpool Street | \$ 58,765,000  | 10.36%   | 452,855  |                                       |

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|---|--------------|-------|--|--------|
| London EC2M 2RH<br>United Kingdom   |              |       |  |        |
| Worldwide Transactions Ltd. ....  | \$ 735,000   | *     |  | 5,664  |
| 48 Par La Ville Rd.<br>Suite 778<br>Hamilton, HMII Bermuda  |              |       |  |        |
| Yield Strategies II Fund, L.P.....  | \$ 6,000,000 | 1.06% |  | 46,237 |
| c/o Camden Asset Management LP<br>2049 Century Park East, Suite 330<br>Los Angeles, CA 90067            |              |       |  |        |
| Any other holder of LYONS or future<br>transferee, pledgee, donee or<br>successor of any holder(3)..... | \$ 0         | --    |  | 0      |

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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.
- (5) The figures in this column are based on information supplied to us, as of June 21, 2002, by the respective selling security holders named in the table. As of that date, these selling security holders had supplied us with information indicating that, collectively, they owned more than \$567,285,000 aggregate principal amount at maturity of LYONS (which would be convertible into more than 4,371,612 shares of common stock), reflecting, we believe, that one or more selling security holders supplied us with information for inclusion in the table and then sold their LYONS in transactions exempt from the registration requirements of the Securities Act to persons who also supplied us with information with respect to the same LYONS. However, since this prospectus would not be applicable to any sale of LYONS after they have been publicly sold utilizing this prospectus, no more than 567,285,000 principal amount at maturity of LYONS could be sold utilizing this prospectus and, accordingly, the \$567,285,000 total in this column has been retained and represents the maximum principal amount at maturity of LYONS that could be sold hereunder.

We prepared this table based on the information supplied to us as of June 21, 2002, by the selling security holders named in the table. The selling security holders listed in the above table may have sold

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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 June 24, 2002.

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