

MAGELLAN HEALTH SERVICES INC
 Form 4
 January 10, 2007

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)
01/08/2007

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

AVON, CT 06001
 (City) (State) (Zip)

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

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) |
|-----------------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|----------------------------------------------------------|-------------------------------------------------------|
| Ordinary Common Stock, \$0.01 par value | 01/08/2007 | | X ⁽¹⁾ | 50,140 A \$ 11.91 | 64,811 ⁽²⁾ | D | |
| Ordinary Common Stock, \$0.01 par value | 01/09/2007 | | X ⁽¹⁾ | 63,550 A \$ 11.91 | 128,361 | D | |
| Ordinary Common | 01/08/2007 | | S ⁽¹⁾ | 50,140 D \$ 41.5076 | 78,221 | D | |

| | | | | | | | | | |
|-----------------------------------------------------|------------|--|-------------|--------|---|----|------------|--------|------------|
| Stock, \$0.01 par value | | | | | | | | | <u>(5)</u> |
| Ordinary Common Stock, \$0.01 par value | 01/09/2007 | | <u>S(1)</u> | 63,550 | D | \$ | 41.1756 | 14,671 | D |
| | | | | | | | <u>(6)</u> | | |

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

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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 |
| Stock Option (right to buy) | \$ 11.91 | 01/08/2007 | | <u>X(1)</u> | 50,140 | 01/05/2007 12/31/2007 | Ordinary Common Stock 50,140 |
| Stock Option (right to buy) | \$ 11.91 | 01/09/2007 | | <u>X(1)</u> | 63,550 | 01/05/2007 12/31/2007 | Ordinary Common Stock 63,550 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---------------------------------------------|---------------|-----------|-----------------|-------|
| | Director | 10% Owner | Officer | Other |
| LERER RENE 55 NOD ROAD AVON, CT 06001 | X | | President & COO | |

Signatures

/s/ Rene Lerer

01/10/2007

**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).
- (1) These transactions were effectuated pursuant to a Rule 10b-5-1 plan and, accordingly, not on a discretionary basis by the reporting person.
 - (2) Balance includes 14,671 shares of stock owned prior to reported transaction, of which 11,003 is restricted stock.
 - (3) No price was applicable to the acquisition of this security.
 - (4) The remainder of 10,480 options in this tranche are exercisable until December 31, 2007.
 - (5) Price reflected is the average sale price. Please see attached Exhibit 99.1 for a complete list of all sales by sale price on January 8, 2007.
 - (6) Price reflected is the average sale price. Please see attached Exhibit 99.2 for a complete list of all sales by sale price on January 9, 2007.

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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