

WADDELL & REED FINANCIAL INC
 Form 4
 August 16, 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

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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 *
STROHM MICHAEL D

2. Issuer Name and Ticker or Trading Symbol
WADDELL & REED FINANCIAL INC [WDR]

5. Relationship of Reporting Person(s) to Issuer
 (Check all applicable)

(Last) (First) (Middle)
6300 LAMAR AVENUE
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
08/15/2006

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
SVP & Chief Operations Officer

OVERLAND PARK, KS 66202
 (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)
			Code	V	Amount or Price		
Class A Common	08/15/2006		M		3,750 A \$ 14.625	137,544	D
Class A Common	08/15/2006		M		17,226 A \$ 15.3333	154,770	D
Class A Common	08/15/2006		M		1,517 A \$ 16.7615	156,287	D
Class A Common	08/15/2006		M		45,000 A \$ 16.8333	201,287	D
Class A Common	08/15/2006		M		16,138 A \$ 18	217,425	D

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Class A Common	08/15/2006	S	800	D	\$ 22.07	216,625	D
Class A Common	08/15/2006	S	700	D	\$ 22.08	215,925	D
Class A Common	08/15/2006	S	57,900	D	\$ 22.09	158,025	D
Class A Common	08/15/2006	S	20,331	D	\$ 22.1	137,694	D
Class A Common	08/15/2006	S	3,400	D	\$ 22.11	134,294	D
Class A Common	08/15/2006	S	500	D	\$ 22.12	133,794	D
Class A Common						3,105,5893 <u>(1)</u>	D

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)	Amount or Number of Shares
NQSO (Right to Buy)	\$ 14.625	08/15/2006		M	3,750	12/16/2002 12/17/2008	Class A Common	3,750
NQSO (Right to Buy)	\$ 15.3333	08/15/2006		M	17,226	03/04/2000 ⁽²⁾ 03/05/2008	Class A Common	17,226
NQSO (Right to Buy)	\$ 16.7615	08/15/2006		M	1,517	02/02/2000 08/03/2009	Class A Common	1,517
NQSO (Right to Buy)	\$ 16.8333	08/15/2006		M	45,000	12/10/2001 ⁽³⁾ 12/11/2009	Class A Common	45,000

Buy)

NQSO (Right to Buy)	\$ 18	08/15/2006	M	607	02/01/2003	12/17/2006	Class A Common	607
NQSO (Right to Buy)	\$ 18	08/15/2006	M	1,752	02/01/2003	09/26/2007	Class A Common	1,752
NQSO (Right to Buy)	\$ 18	08/15/2006	M	7,200	02/01/2003	03/05/2008	Class A Common	7,200
NQSO (Right to Buy)	\$ 18	08/15/2006	M	6,579	02/01/2003	12/17/2008	Class A Common	6,579

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
STROHM MICHAEL D 6300 LAMAR AVENUE OVERLAND PARK, KS 66202			SVP & Chief Operations Officer	

Signatures

Michael D. Strohm 08/16/2006

__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).
- (1) Units (which include Class A common stock and cash reserves) representing Mr. Strohm's interest in the Company's 401(k) Plan unitized stock fund as of June 30, 2006.
- (2) 426 options vested on 3/4/00 and 8,400 options vested on each of 3/4/01 and 3/4/02.
- (3) Vested in 1/3 increments annually beginning 12/10/2001.
- (4) Following the above reported transactions, Mr. Strohm no longer owns any options on Company stock.

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.