

MAGELLAN HEALTH SERVICES INC
 Form 4
 May 18, 2006

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 *
 BURIAN SAUL

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)
 C/O HOULIHAN LOKEY
 HOWARD & ZOKIN, 245 PARK AVENUE

3. Date of Earliest Transaction (Month/Day/Year)
 05/16/2006

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

(Street)
 NEW YORK, NY 10167

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 Ownership (Instr. 4) |
|--|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | | (A) or (D) Price | | | |
| Ordinary Common Stock, \$0.01 par value ⁽¹⁾ | 05/16/2006 | | A | 750 ⁽²⁾ A \$ 0 | 6,469 | D | |

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

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number.

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 (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 |
|--|--|--------------------------------------|--|--------------------------------|--|--|---|----------------------------|
| Stock Option (Right to Buy) | \$ 40.21 | 05/16/2006 ⁽³⁾ | | A | 5,856 | 05/16/2007 ⁽⁴⁾ 05/16/2016 | Common Stock | 5,856 |

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

BURIAN SAUL
C/O HOULIHAN LOKEY HOWARD & ZOKIN
245 PARK AVENUE
NEW YORK, NY 10167

X

Signatures

/s/ Saul Burian 05/17/2006

**Signature of Date
Reporting Person

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) The restricted shares were granted pursuant to the 2006 Director Equity Compensation Plan approved by the shareholders of the Issuer on May 16, 2006.
- (2) Shares shall vest fully in one year from the date of grant.
- The option grant was made pursuant 2006 Director Equity Compensation Plan approved by the shareholders of the Issuer on May 16, 2006. As per the plan, the exercise price of the options was the fair market value on the date of grant determined by using the average of the opening and closing price of the Issuer's Ordinary Common Stock on NASDAQ on May 16, 2006.
- (3) 2006. As per the plan, the exercise price of the options was the fair market value on the date of grant determined by using the average of the opening and closing price of the Issuer's Ordinary Common Stock on NASDAQ on May 16, 2006.
- (4) Options vest and become exercisable one year from the date of grant.
- (5) Not applicable.

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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