

MAGELLAN HEALTH SERVICES INC
 Form 3
 March 05, 2008

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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INITIAL STATEMENT OF 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 * | | 2. Date of Event Requiring Statement | 3. Issuer Name and Ticker or Trading Symbol | |
| Â Petrella Russell C | | (Month/Day/Year) | MAGELLAN HEALTH SERVICES INC [MGLN] | |
| (Last) | (First) | (Middle) | 02/27/2008 | |
| 55 NOD ROAD | | | 4. Relationship of Reporting Person(s) to Issuer | 5. If Amendment, Date Original Filed(Month/Day/Year) |
| (Street) | | | (Check all applicable) | |
| AVON,Â CTÂ 06001 | | | <input type="checkbox"/> Director <input type="checkbox"/> 10% Owner | 6. Individual or Joint/Group Filing(Check Applicable Line) |
| (City) | (State) | (Zip) | <input checked="" type="checkbox"/> Officer <input type="checkbox"/> Other | <input checked="" type="checkbox"/> Form filed by One Reporting Person |
| | | | (give title below) (specify below) | <input type="checkbox"/> Form filed by More than One Reporting Person |
| | | | President, Behavioral Health | |

Table I - Non-Derivative Securities Beneficially Owned

| 1. Title of Security (Instr. 4) | 2. Amount of Securities Beneficially Owned (Instr. 4) | 3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5) | 4. Nature of Indirect Beneficial Ownership (Instr. 5) |
|---|---|--|---|
| Ordinary Common Stock, \$0.01 par value | 727 ⁽¹⁴⁾ | D | Â |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly. SEC 1473 (7-02)

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Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 4) | 2. Date Exercisable and Expiration Date (Month/Day/Year) | 3. Title and Amount of Securities Underlying Derivative Security (Instr. 4) | 4. Conversion or Exercise Price of Derivative Security | 5. Ownership Form of Derivative Security: Direct (D) or Indirect | 6. Nature of Indirect Beneficial Ownership (Instr. 5) |
|--|--|---|--|--|---|
| | Date Exercisable | Expiration Date | Title | Amount or Number of | |

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| | | | | Shares | | (I) (Instr. 5) | |
|-----------------------------|--------|------------|--------------|--------|-----------|-------------------|---|
| Stock Option (right to buy) | Â (1) | 05/11/2014 | Common Stock | 4,000 | \$ 29.95 | D | Â |
| Stock Option (right to buy) | Â (2) | 03/10/2015 | Common Stock | 11,765 | \$ 34.57 | D | Â |
| Stock Option (right to buy) | Â (3) | 03/20/2016 | Common Stock | 6,666 | \$ 38.21 | D | Â |
| Stock Option (right to buy) | Â (4) | 05/16/2016 | Common Stock | 18,750 | \$ 38.52 | D | Â |
| Stock Option (right to buy) | Â (5) | 11/30/2016 | Common Stock | 3,334 | \$ 43.34 | D | Â |
| Stock Option (right to buy) | Â (6) | 03/02/2017 | Common Stock | 36,697 | \$ 40.63 | D | Â |
| Stock Option (right to buy) | Â (7) | 07/02/2017 | Common Stock | 10,000 | \$ 46.32 | D | Â |
| Stock Option (right to buy) | Â (8) | 07/02/2017 | Common Stock | 10,000 | \$ 46.32 | D | Â |
| Restricted Stock Units | Â (9) | Â (13) | Common Stock | 792 | \$ 0 (13) | D | Â |
| Restricted Stock Units | Â (10) | Â (13) | Common Stock | 4,435 | \$ 0 (13) | D | Â |
| Restricted Stock Units | Â (11) | Â (13) | Common Stock | 1,000 | \$ 0 (13) | D | Â |
| Restricted Stock Units | Â (12) | Â (13) | Common Stock | 6,047 | \$ 0 (13) | D | Â |
| Stock Option (right to buy) | Â (15) | 02/01/2018 | Common Stock | 16,666 | \$ 43.4 | D | Â |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|--------------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Petrella Russell C 55 NOD ROAD AVON,Â CTÂ 06001 | Â | Â | Â President, Behavioral Health | Â |

Signatures

/s/ Russell C.
Petrella

03/05/2008

**Signature of
Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 5(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) Of the 4,000 options remaining in this stock option grant, 2,750 options have vested and are currently exercisable. The remainder of 1,250 options shall vest on May 11, 2008.
- (2) Of the 11,765 options granted, 5,883 options have vested and are currently exercisable. The remainder of 5,882 options shall vest in one-half increments on March 10 of each of 2008 and 2009.
- (3) Options issued pursuant to the Issuer's previous commitment to grant options to offset shortened exercised period of options previously exercised by Mr. Petrella. Such exercised options had been previously amended to shorten the term thereof to address the requirement of Section 409A of the Internal Revenue Code. Of the 6,666 options granted, 2,222 options have vested and are currently exercisable. The remainder of 4,444 options shall vest in one-half increments on March 20 of each of 2008 and 2009.
- (4) The option grant was approved by the Board of Directors of the Issuer on February 24, 2006. Of the 18,750 options granted, 12,500 have vested and are currently exercisable. The remainder of 6,250 options shall vest on February 24, 2009.
- (5) Options issued pursuant to the Issuer's previous commitment to grant options to offset shortened exercised period of options previously exercised by Mr. Petrella. Such exercised options had been previously amended to shorten the term thereof to address the requirement of Section 409A of the Internal Revenue Code. Of the 3,334 options granted, 1,112 options have vested and are currently exercisable. The remainder of 2,222 options shall vest in one-half increments on November 30 of each of 2008 and 2009.
- (6) Of the 36,697 options granted, 12,233 options have vested and are currently exercisable. The remainder of 24,464 options vest in one-half increments on March 2 of each of 2009 and 2010.
- (7) Options issued pursuant to the Issuer's previous commitment to grant options to offset shortened exercised period of options previously exercised by Mr. Petrella. Such exercised options had been previously amended to shorten the term thereof to address the requirement of Section 409A of the Internal Revenue Code. Options vest and become exercisable in one-third increments on July 2 of each of 2008, 2009 and 2010.
- (8) Options vest and become exercisable in one-third increments on July 2 of each of 2008, 2009 and 2010.
- (9) Restricted Stock Units granted on shall vest on February 24, 2009,
- (10) Of the 4,435 Restricted Stock Units granted, 1,479 vested on March 2, 2008. The remainder of 2956 Restricted Stock Units shall vest on March 2 of each of 2009 and 2010.
- (11) Restricted Stock Units shall vest in one-third increments on July 2, of each 2008, 2009 and 2010.
- (12) Restricted Stock Units shall vest in one-third increments on October 1, of each 2008, 2009 and 2010.
- (13) Not applicable.
- (14) Restricted Stock shall vest in one-half increments on March 10 of each of 2008 and 2009.
- (15) Options issued pursuant to the Issuer's previous commitment to grant options to offset shortened exercised period of options previously exercised by Mr. Petrella. Such exercised options had been previously amended to shorten the term thereof to address the requirement of Section 409A of the Internal Revenue Code. Options vest and become exercisable in one-third increments on February 1 of each of 2009, 2010 and 2011.

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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