

FALCONE MICHAEL L  
 Form 4  
 January 05, 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 \*  
 FALCONE MICHAEL L

2. Issuer Name and Ticker or Trading Symbol  
 MUNICIPAL MORTGAGE & EQUITY LLC [MMA]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)  
 01/03/2006

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

C/O MUNICIPAL MORTGAGE & EQUITY, LLC, 621 E. PRATT STREET, SUITE 300

(Street)

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

BALTIMORE, MD 21202

(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 Indirect Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common shares	01/03/2006		M		7,500	A	\$ 16.875
Common shares	01/03/2006		S <sup>(2)</sup>		6,217	D	\$ 25.95
Common shares					26,741	I	<sup>(3)</sup>

Through SCA Associates 95-II Limited Partnership

Common shares	12,026 <sup>(3)</sup>	I	Through SDC Associates Limited Partnership
Common shares	6,094 <sup>(3)</sup>	I	Through SCA Associates 86-II Limited Partnership
Common shares	578 <sup>(3)</sup>	I	Through The Michael and Beth Falcone Foundation

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

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(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)	8. Amount or Number of Shares	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Options to purchase common shares	\$ 16.875	01/03/2006		M	7,500	04/24/2000 04/24/2007	Common shares	7,500	

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
FALCONE MICHAEL L C/O MUNICIPAL MORTGAGE & EQUITY, LLC 621 E. PRATT STREET, SUITE 300 BALTIMORE, MD 21202	X		CEO and President	

## Signatures

Brian D. Sims, 01/05/2006  
Attorney-in-fact

\*\*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) Includes a net positive adjustment of 9,226.68 common shares to Mr. Falcone's previous Table I, Column 5 (direct ownership) balance to reflect (a) an increase in the number of common shares beneficially owned by Mr. Falcone as a result of the omission of the unvested balances of certain deferred share grants held by Mr. Falcone and (b) a decrease in the number of common shares beneficially owned by Mr. Falcone as a result of an administrative error in the calculation of the total common shares directly held by Mr. Falcone.
  - (2) The sale reported in this Form 4 is effected pursuant to a Rule 10b5-1 trading plan adopted on September 15, 2005. Mr. Falcone disclaims beneficial ownership of these securities except to the extent of his pecuniary interest therein, and the inclusion of
  - (3) these shares in this report shall not be deemed an admission of beneficial ownership of all of the reported shares for purposes of Section 16 or for any other purpose.
  - (4) Options to purchase common shares granted pursuant to an option agreement dated as of April 24, 1997.

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.