

TOLL ROBERT I
Form 4
December 22, 2008

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 *
TOLL ROBERT I

2. Issuer Name and Ticker or Trading Symbol
TOLL BROTHERS INC [TOL]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
250 GIBRALTAR ROAD

3. Date of Earliest Transaction
(Month/Day/Year)
12/19/2008

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

Chief Executive Officer

(Street)
HORSHAM, PA 19044

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 Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | Code | V Amount (A) or (D) Price | | | |
| Common Stock | 12/16/2008 | | G | V 15,960 D \$ 0 | 15,300,869 | D | |
| Common Stock | 12/16/2008 | | G | V 15,960 A \$ 0 | 90,315 ⁽¹⁾ | I | Trusts |
| Common Stock | | | | | 2,706 | I | 401(k) Plan |
| Common Stock | | | | | 250,000 | I | By Grat-expires June, 2010 |
| Common Stock | | | | | 59,738 | I | By Grat-expires |

| | | | |
|--------------|------------------------|---|--|
| Common Stock | 2,459,973 | I | March, 2009 Entities Wholly Owned By Reporting Person |
| Common Stock | 328,420 ⁽²⁾ | I | Partnership |

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 Underlying (Instr. 3 and 4) | | | |
|--|--|--------------------------------------|--|--------------------------------|---|--|--|------------------|-----------------|--------------|
| | | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title |
| Performance Based Restricted Stock Units | \$ 0 ⁽³⁾ | 12/19/2008 | | A | 200,000 | 12/19/2011 ⁽³⁾ | 12/19/2013 ⁽³⁾ | | | Common Stock |
| Restricted Stock Units | \$ 0 ⁽⁴⁾ | 12/19/2008 | | A | 5,991 | 12/19/2009 ⁽⁴⁾ | 12/19/2012 ⁽⁴⁾ | | | Common Stock |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|-------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| TOLL ROBERT I 250 GIBRALTAR ROAD HORSHAM, PA 19044 | X | X | Chief Executive Officer | |

Signatures

/s/Kathryn G.
Flanagan, attorney-in-fact

12/22/2008

**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) By trusts f/b/o the reporting person's children and grandchildren. The reporting person's spouse is a co-trustee of such trusts.
- (2) By a partnership of which trusts f/b/o the reporting person's children are the sole partners. The reporting person's spouse is co-trustee of such trusts.

Each Performance based restricted stock unit represents a contingent right to receive one share of TOL common stock and will vest and the reporting person will be entitled to receive the underlying shares if the average closing price of TOL's common stock on the NYSE,

- (3) measured over twenty consecutive trading days ending on or prior to December 19, 2013, increases 30% or more over the closing price on the NYSE of TOL's common stock on the NYSE on December 19, 2008; provided the reporting person continues to be employed by the company or serve as a member of the company's Board of Directors through December 19, 2011.

- (4) The restricted stock units vest 25% on each of December 19, 2009, 2010, 2011 and 2012. Vested shares will be delivered to the reporting person on or as soon as practicable after the date that is 30 days following December 19, 2012.

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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