

MAGELLAN HEALTH SERVICES INC  
 Form 4  
 January 10, 2007

**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 \*  
 SHULMAN STEVEN J

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)  
 55 NOD ROAD  
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)  
 01/08/2007

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

AVON, CT 06001  
 (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	(A) or (D)	Price
Ordinary Common Stock, \$0.01 par value	01/08/2007		X <sup>(1)</sup>		120,460	A	\$ 11.91
					242,707		<sup>(2)</sup>
Ordinary Common Stock, \$0.01par value	01/08/2007		X <sup>(1)</sup>		74,440	A	\$ 10.43
Ordinary Common Stock, \$0.01par value	01/09/2007		X <sup>(1)</sup>		28,811	A	\$ 10.43

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Stock,  
\$0.01 par  
value

Ordinary  
Common

Stock,	01/08/2007		<u>S</u> <sup>(1)</sup>	194,900	D	\$	41.4918	151,058	D
\$0.01 par value						<u>(3)</u>			

Ordinary  
Common

Stock,	01/09/2007		<u>S</u> <sup>(1)</sup>	28,811	D	\$	40.4911	122,247	D
\$0.01 par value						<u>(4)</u>			

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)	
					V	(A) (D)	Date Exercisable	Expiration Date	Title	Amount Number of Shares
Stock Option (right to buy)	\$ 11.91	01/08/2007		<u>X</u> <sup>(1)</sup>		120,460	01/05/2007	12/31/2007	Ordinary Common Stock	120,460
Stock Option (right to buy)	\$ 10.43	01/08/2007		<u>X</u> <sup>(1)</sup>		74,440	01/05/2007	01/05/2014	Ordinary Common Stock	74,440
Stock Option (right to buy)	\$ 10.43	01/09/2007		<u>X</u> <sup>(1)</sup>		28,811	01/05/2007	01/05/2014	Ordinary Common Stock	28,811

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SHULMAN STEVEN J 55 NOD ROAD AVON, CT 06001	X		Chairman and CEO	

## Signatures

/s/ Steven  
Shulman

01/10/2007

    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) These transactions were effectuated pursuant to a Rule 10b-5-1 plan and, accordingly, not on a discretionary basis by the reporting person.
- (2) Balance includes 122,247 shares of stock owned prior to reported transaction of which 18,339 shares are unvested restricted stock.
- (3) Price reflected is the average sale price. Please see attached Exhibit 99.1 for a complete list of all sales by sale price on January 8, 2007.
- (4) Price reflected is the average sale price. Please see attached Exhibit 99.2 for a complete list of all sales by sale price on January 9, 2007.
- (5) The remainder of 86,042 options in this tranche are exercisable until December 31, 2007.
- (6) No price was applicable to the acquisition of this security.
- (7) The balance of 309,752 options are vested and exercisable.

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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