

JEFFERIES GROUP INC /DE/
Form 4
November 07, 2006

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

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 *
HANDLER RICHARD B

2. Issuer Name and Ticker or Trading Symbol
JEFFERIES GROUP INC /DE/ [JEF]

5. Relationship of Reporting Person(s) to Issuer

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

(Last) (First) (Middle)
C/O JEFFERIES & COMPANY, INC., 520 MADISON AVE., 12TH FLOOR

3. Date of Earliest Transaction (Month/Day/Year)
11/06/2006

(Street)
NEW YORK, NY 10022

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. Code	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 or (D) Price			
Common Stock	11/06/2006		P	130,300 A \$ 28.763	10,327,698 (1)	D	
Common Stock	11/07/2006		P	541 A \$ 28.9759	10,328,239 (1)	D	
Common Stock	11/06/2006		M	400,000 A \$ 9.013	10,728,239 (1)	D	
Common Stock	11/06/2006		M	4,728 A \$ 7.037	10,732,967 (1)	D	
	11/06/2006		M	4,092 A \$ 8.246		D	

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Common Stock						10,737,059	
						<u>(1)</u>	
Common Stock	11/06/2006		M	4,152	A	\$ 8.118	10,741,211
							<u>(1)</u>
Common Stock	11/06/2006		M	3,220	A	\$ 10.669	10,744,431
							<u>(1)</u>
Common Stock	11/06/2006		F	130,841	D	\$ 28.585	10,613,590
							<u>(1)</u>

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

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SEC 1474
(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)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount Number of Shares
Option - Right to Buy	\$ 9.013	11/06/2006		M	400,000	<u>(2)</u> 11/20/2006	Common Stock 400,000
Option - Right to Buy	\$ 7.037	11/06/2006		M	4,728	12/31/2003 12/31/2006	Common Stock 4,728
Option - Right to Buy	\$ 8.246	11/06/2006		M	4,092	12/31/2003 12/31/2006	Common Stock 4,092
Option - Right to Buy	\$ 8.118	11/06/2006		M	4,152	12/31/2003 12/31/2006	Common Stock 4,152
Option - Right to Buy	\$ 10.669	11/06/2006		M	3,220	12/31/2003 12/31/2006	Common Stock 3,220

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
HANDLER RICHARD B C/O JEFFERIES & COMPANY, INC. 520 MADISON AVE., 12TH FLOOR NEW YORK, NY 10022	X		Chairman and CEO	

Signatures

/s/ Roland T. Kelly, by power of attorney
Date: 11/07/2006

**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).

Does not include 107,492 shares indirectly held by the Reporting Person by the Trustee of the Jefferies Group, Inc. Employees' Stock

(1) Ownership Plan for the benefit of the Reporting Person, and does not include 40 shares indirectly held by the Reporting Person as custodian for family accounts. Includes shares held by the Reporting Person as trustee for estate planning trusts.

(2) 50% exercisable on 11/20/2003 and 50% exercisable on 11/20/2004.

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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