

TOLL BROTHERS INC  
Form 4  
December 19, 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 \*  
**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)  
**12/15/2006**

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	12/15/2006		A	242,560 A \$ 0 (1)	16,401,724	D	
Common Stock	12/18/2006		M	471,098 A \$ 0	16,872,822	D	
Common Stock					2,586	I	401(k) Plan
Common Stock					157,011	I	By GRAT-Expires October, 2007
Common Stock					12,248	I	By GRAT-Expires

				September, 2007
Common Stock	2,790,714	I		Entities wholly owned by reporting person
Common Stock	328,420 <sup>(2)</sup>	I		Partnership
Common Stock	48,790 <sup>(3)</sup>	I		Trusts

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

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

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)	
					V	(A) (D)	Date Exercisable	Expiration Date	Title	Amount Number Shares
Phantom Stock	\$ 0	12/18/2006		M		471,098	12/12/2004	12/12/2004	Common Stock	471,098
Stock Options (Right to buy)	\$ 4.375						12/20/1999	12/20/2009	Common Stock	3,000,000
Stock Options (Right to buy)	\$ 5.5782						12/30/1998	12/30/2008	Common Stock	190,000
Stock Options (Right to buy)	\$ 5.7188						12/20/1999	12/20/2008	Common Stock	1,000,000
Stock Options (Right to buy)	\$ 5.7657						11/03/1998	11/03/2007	Common Stock	200,000

buy)

Stock

Options  
(Right to  
buy)

\$ 6

11/02/1999 11/02/2008

Common  
Stock

200,000

Stock

Options  
(Right to  
buy)

\$ 6.8594

12/30/1997 12/30/2007

Common  
Stock

960,000

Stock

Options  
(Right to  
buy)

\$ 7.375

03/13/1998 03/13/2008

Common  
Stock

250,000

Stock

Options  
(Right to  
buy)

\$ 9.6563

12/20/2001 12/20/2010

Common  
Stock

1,000,000

Stock

Options  
(Right to  
buy)

\$ 10.525

12/20/2003 12/20/2012

Common  
Stock

500,000

Stock

Options  
(Right to  
buy)

\$ 10.88

12/20/2002 12/20/2011

Common  
Stock

1,000,000

Stock

Options  
(Right to  
buy)

\$ 20.135

12/20/2004 12/20/2013

Common  
Stock

500,000

Stock

Options  
(Right to  
buy)

\$ 32.55

12/20/2005 12/20/2014

Common  
Stock

500,000

Stock

Options  
(Right to  
buy)

\$ 35.97

12/20/2006 12/20/2015

Common  
Stock

250,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
TOLL ROBERT I 250 GIBRALTAR ROAD	X	X	Chief Executive Officer	

HORSHAM, PA 19044

## Signatures

Kathryn G.  
Flanagan, Attorney-in-Fact  
12/19/2006

\_\_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).
- (4) The exercisable date and the expiration date of the remaining balance is 12/16/2006.

- Performance based award under bonus plan which provides that 40% of the bonus is to be paid in unrestricted shares of common stock, the number of which is based on a per share price of \$28.91 (the closing price of the Company's common stock on the New York Stock Exchange ("NYSE") on October 31, 2006). The shares will be distributed on January 5, 2007. On January 5, 2007, Mr. Toll will exchange
- (1) \$1.2 million of the unrestricted shares of common stock granted under the bonus plan on December 15, 2006, valued as of the bonus plan valuation date of October 31, 2006, for restricted shares of common stock, the number of which will be determined by dividing \$1.2 million by the closing price of the Company's common stock on the NYSE on January 5, 2007.
  - (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.
  - (3) By trusts f/b/o the reporting person's children and grandchildren. The reporting person's spouse is a co-trustee of such trusts.

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.