

TOLL ROBERT I
Form 4
October 24, 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 *
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)

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

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

250 GIBRALTAR ROAD

10/23/2006

Chief Executive Officer

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)

HORSHAM, PA 19044

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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| Common Stock | 10/23/2006 | | M | 44,974 A | \$ 0 15,989,164 | 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 |

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| | | | |
|--------------|------------------------|---|---|
| Common Stock | 2,790,714 | I | Entities wholly owned by reporting person |
| Common Stock | 328,420 ⁽¹⁾ | I | Partnership |
| Common Stock | 48,790 ⁽²⁾ | I | Trusts |

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 or Number of Shares |
| Phantom Stock | \$ 0 | | | | | 12/12/2004 12/12/2004 | Common Stock 471,099 |
| Phantom Stock | \$ 0 | 10/23/2006 | | M | 44,974 | 10/23/2006 10/22/2004 | Common Stock 44,974 |
| Stock Options (Right to buy) | \$ 4.375 | | | | | 12/20/1999 12/20/2009 | Common Stock 3,000,000 |
| Stock Options (Right to buy) | \$ 4.875 | | | | | 03/14/1997 03/14/2007 | Common Stock 170,000 |
| 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 |

buy)

| | | | | | |
|------------------------------|-----------|------------|------------|--------------|-----------|
| Stock Options (Right to buy) | \$ 5.7657 | 11/03/1998 | 11/03/2007 | Common Stock | 200,000 |
| 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 |
|--------------------------------|---------------|
|--------------------------------|---------------|

Reporting Owners

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

Signatures

Kathryn G.
Flanagan, Attorney-in-Fact

10/24/2006

__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 expiration date of the remaining balance is 10/22/2006.
- (3) The exercisable date and the expiration date of the remaining balance is 12/16/2006.
- (1) 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.
- (2) 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.