

FEDERATED INVESTORS INC /PA/
Form 4
August 28, 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 *
MCAULEY DENIS III

2. Issuer Name and Ticker or Trading Symbol
FEDERATED INVESTORS INC /PA/ [FII]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)
08/26/2008

____ Director
 Officer (give title below) _____ 10% Owner
_____ Other (specify below)
Principal Accounting Officer

1001 LIBERTY AVENUE, FEDERATED INVESTORS TOWER

(Street)

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

PITTSBURGH, PA 15222-3779

(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 | | |
| Class B Common Stock | 08/26/2008 | | M | | 7,500 A \$ 12.6667 | 31,270 ⁽¹⁾ | D |
| Class B Common Stock | 08/26/2008 | | M | | 832 A \$ 25.35 | 32,102 ⁽¹⁾ | D |
| Class B Common Stock | 08/26/2008 | | S | | 100 D \$ 32.54 | 32,002 ⁽¹⁾ | D |

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| | | | | | | | |
|----------------------------|------------|---|-----|---|-----------|-------------------|---|
| Class B Common Stock | 08/26/2008 | S | 400 | D | \$ 32.56 | 31,602 <u>(1)</u> | D |
| Class B Common Stock | 08/26/2008 | S | 500 | D | \$ 32.58 | 31,102 <u>(1)</u> | D |
| Class B Common Stock | 08/26/2008 | S | 400 | D | \$ 32.59 | 30,702 <u>(1)</u> | D |
| Class B Common Stock | 08/26/2008 | S | 300 | D | \$ 32.6 | 30,402 <u>(1)</u> | D |
| Class B Common Stock | 08/26/2008 | S | 700 | D | \$ 32.61 | 29,702 <u>(1)</u> | D |
| Class B Common Stock | 08/26/2008 | S | 200 | D | \$ 32.64 | 29,502 <u>(1)</u> | D |
| Class B Common Stock | 08/26/2008 | S | 200 | D | \$ 32.65 | 29,302 <u>(1)</u> | D |
| Class B Common Stock | 08/26/2008 | S | 350 | D | \$ 32.66 | 28,952 <u>(1)</u> | D |
| Class B Common Stock | 08/26/2008 | S | 200 | D | \$ 32.665 | 28,752 <u>(1)</u> | D |
| Class B Common Stock | 08/26/2008 | S | 100 | D | \$ 32.67 | 28,652 <u>(1)</u> | D |
| Class B Common Stock | 08/26/2008 | S | 500 | D | \$ 32.68 | 28,152 <u>(1)</u> | D |
| Class B Common Stock | 08/26/2008 | S | 100 | D | \$ 32.69 | 28,052 <u>(1)</u> | D |
| Class B Common Stock | 08/26/2008 | S | 400 | D | \$ 32.7 | 27,652 <u>(1)</u> | D |
| Class B Common Stock | 08/26/2008 | S | 595 | D | \$ 32.73 | 27,057 <u>(1)</u> | D |
| Class B Common | 08/26/2008 | S | 405 | D | \$ 32.74 | 26,652 <u>(1)</u> | D |

Stock

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.

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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 (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) | Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|--|--|---|----------------------------|
| Employee Stock Options (Right to Buy) | \$ 12.6667 | 08/26/2008 | | M | 7,500 | 06/30/2008 06/30/2009 | Class B Common Stock | 7,500 |
| Employee Stock Options (Right to Buy) | \$ 25.35 | 08/26/2008 | | M | 832 | 12/18/2002 12/17/2012 | Class B Common Stock | 832 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|------------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| MCAULEY DENIS III 1001 LIBERTY AVENUE FEDERATED INVESTORS TOWER PITTSBURGH, PA 15222-3779 | | | Principal Accounting Officer | |

Signatures

/s/ Gail C. Jones
(Attorney-in-Fact) 08/28/2008

**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) Includes 6 shares of Federated Investors, Inc. Class B Common Stock held in Federated's Profit Sharing/401(k) Plan.

Remarks:

The Power of Attorney dated July 25, 2006 is incorporated by reference.

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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