

FEDERATED INVESTORS INC /PA/
 Form 4
 December 17, 2008

FORM 4

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

OMB APPROVAL

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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 *
 DONAHUE JOHN F

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)
 12/15/2008

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

C/O FEDERATED INVESTORS, INC., 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 Ownership Indirect Beneficial Ownership (Instr. 4)			
				Code	V	Amount	(A) or (D)	Price		
Class B Common Stock	12/15/2008		S			553,474 ⁽¹⁾ <u>(2)</u>	I			Held Indirectly by Bay Road Partners ⁽¹⁾

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

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number.

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)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned (Instr. 5)
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Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
DONAHUE JOHN F C/O FEDERATED INVESTORS, INC. FEDERATED INVESTORS TOWER PITTSBURGH, PA 15222-3779	X		Chairman	

Signatures

/s/ Gail C. Jones
(Attorney-in-Fact) 12/17/2008

**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) The reported securities are held by Bay Road Partners, a limited partnership of which AWOL, Inc. is the sole general partner controlled by the reporting person. On December 15, 2008, the reporting person sold a 92% interest in Bay Road Partners for notes, equal to the value of the 92% Bay Road Partners partnership interest. The FII Class B Common Stock shares held by Bay Road Partners were valued at \$18.90 per share on the date of the transaction. The reporting person disclaims beneficial ownership of the FII Class B Common Stock held by Bay Road Partners except to the extent of his pecuniary interest therein.
- (2) In addition to the holdings set forth in Table I: 334,097 shares are held directly; 523,000 shares are held indirectly by Richmond Farm, L.P.; 11,638 shares are held indirectly by AWOL, Inc.; 38,821 shares are held indirectly by Comax Land Company of Florida; 5,819 shares are held indirectly by John F. Donahue Revocable Trust; 5,819 shares are held indirectly by Rhodora J. Donahue Revocable Trust; and 1,035,880 shares are held indirectly by John F. Donahue and Rhodora J. Donahue Joint Revocable Trust.

Remarks:

The Power of Attorney file July 26, 2006 is incorporated by reference.

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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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