

SECURITIES AND EXCHANGE COMMISSION

FORM 4

Statement of changes in beneficial ownership of securities

Filing Date: **2008-08-29** | Period of Report: **2008-08-27**
SEC Accession No. **0000311657-08-000036**

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REPORTING OWNER

GRUNEBAUM PETER

CIK: **1013720**

Type: **4** | Act: **34** | File No.: **001-09293** | Film No.: **081047999**

Mailing Address

PREPAID LEGAL SERVICES

INC

PO BOX 145

ADA OK 74820

Business Address

4054361234

ISSUER

PRE PAID LEGAL SERVICES INC

CIK: **311657** | IRS No.: **731016728** | State of Incorpor.: **OK** | Fiscal Year End: **1231**

SIC: **7200** Personal services

Mailing Address

ONE PRE-PAID WAY

P O BOX 145

ADA OK 74820

Business Address

ONE PRE-PAID WAY

ADA OK 74820

5804361234

FORM 4

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

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

1. Name and Address of Reporting Person GRUNEBAUM PETER			2. Issuer Name and Ticker or Trading Symbol PRE PAID LEGAL SERVICES INC [PPD]		5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below)	
(Last)	(First)	(Middle)	3. Date of Earliest Transaction (Month/Day/Year) 08/27/2008		6. Individual or Joint/Group Filing (Check applicable line) <input checked="" type="checkbox"/> Form Filed by One Reporting Person <input type="checkbox"/> Form Filed by More than One Reporting Person	
368 MCLAIN STREET			4. If Amendment, Date Original Filed(Month/Day/Year)			
(Street) BEDFORD HILLS, NY 10507						
(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	08/27/2008		M		3,000	A \$23.93	3,100	D	
Common Stock	08/27/2008		S		2,000	D \$44.25	1,100	D	

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 Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date						Title
Stock Option - Right to Buy	\$23.93	08/27/2008		M		3,000		03/01/2004 ⁽¹⁾	03/01/2009	Common Stock	3,000	\$23.93	7,000	D	

Explanation of Responses:

1. These options were granted on March 1, 2004 and were exercisable as of March 1, 2004 as to one-fourth and vest in additional one-fourth increments on the following June 1, September 1 and December 1 of the year of grant.

Signatures

Peter Grunebaum

** Signature of Reporting Person

08/29/2008

Date

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

* 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).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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 Number.