

SECURITIES AND EXCHANGE COMMISSION

FORM 4

Statement of changes in beneficial ownership of securities

Filing Date: **2009-01-26** | Period of Report: **2009-01-22**

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ISSUER

CITIZENS SOUTH BANKING CORP

CIK: **1051871** | IRS No.: **542069979** | State of Incorporation: **DE** | Fiscal Year End: **1231**
SIC: **6035** Savings institution, federally chartered

Mailing Address

*P.O. BOX 2249
GASTONIA NC 28053-2249*

Business Address

*245 WEST MAIN AVENUE
GASTONIA NC 28052-4140
7048685200*

REPORTING OWNER

Matthews Eugene Robinson II

CIK: **1249993**

Type: **4** | Act: **34** | File No.: **000-23971** | Film No.: **09544249**

Mailing Address

*519 SOUTH NEW HOPE ROAD 704 868 5200
GASTONIA NC 28054*

Business Address

FORM 4

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 Matthews Eugene Robinson II			2. Issuer Name and Ticker or Trading Symbol CITIZENS SOUTH BANKING CORP [CSBC]			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) 01/22/2009			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		
519 SOUTH NEW HOPE ROAD			4. If Amendment, Date Original Filed(Month/Day/Year)					
(Street) GASTONIA, NC 28054								
(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	01/22/2009		P		160	A	\$4.66	13,960	I	By his IRAs
Common Stock	01/22/2009		P		100	A	\$4.71	14,060	I	By his IRAs
Common Stock	01/22/2009		P		185	A	\$4.71	5,826	I	By wife's IRAs
Common Stock	01/22/2009		P		100	A	\$4.71	1,064	I	By wife
Common Stock								30,749 ⁽¹⁾	D	
Common Stock								8,473	I	Cust for son
Common Stock								135	I	By son's Roth IRA (Custodian)
Common Stock								3,344	I	Cust for daughter

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)	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)
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				(Instr. 3, 4, and 5)				Date Exercisable	Expiration Date	Title	Amount or Number of Shares			
				Code	V	(A)	(D)							
Stock Option (Right to Buy) ⁽²⁾	\$8						(2)	06/16/2018	Common Stock	2,800		2,800	D	
Stock Option (Right to Buy) ⁽³⁾	\$15.04						11/03/2003	11/03/2013	Common Stock	22,670		22,670	D	
Stock Option (Right to Buy) ^{(3) (4)}	\$5.605						04/19/1999	04/19/2009	Common Stock	4,995		4,995	I	By LLC ⁽⁴⁾

Explanation of Responses:

- Includes 1,800 Restricted Stock Awards that vest over a five-year period at the rate of 10% on June 16, 2009, 10% on June 16, 2010, 10% on June 16, 2011, 35% on June 16, 2012, and 35% on June 16, 2013; and includes 10,510 Recognition and Retention awards that vest over a seven-year period, commencing on November 3, 2003, at the rate of 30% on November 3, 2003, 10% on January 2, 2004, 10% on November 3, 2005, and 10% per year on November 3 of each year thereafter. Currently, 8,408 shares have vested and 3,902 shares have not vested.
- This non-statutory option vests in five equal annual installments, with the first installment becoming exercisable on the first anniversary of the date of grant, or June 16, 2009, and succeeding installments on each anniversary thereafter through June 16, 2013.
- This non-statutory option has vested.
- Options held by a Limited Liability Company of which the reporting person has one-third ownership.

Signatures

/s/ Paul L. Teem, Jr., Pursuant to Power of Attorney

** Signature of Reporting Person

01/23/2009

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.

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