

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

PRICE KIM STUART

CIK: **1249994**
Type: **4** | Act: **34** | File No.: **000-23971** | Film No.: **09544255**

Mailing Address
245 W MAIN AVE
GASTONIA NC 28053

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

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 PRICE KIM STUART			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 checked="" type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below) President, CEO & Director		
(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 RD			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		500	A	\$4.54	7,808	I	By his IRA
Common Stock								106,933 (1)	D	
Common Stock								10,560	I	By his 401(k) Plan
Common Stock								19,805	I	By his ESOP
Common Stock								1,190	I	Wife as cust for their son
Common Stock								1,284	I	By wife's IRA
Common Stock								2,496	I	Wife joint with her mother
Common Stock								2,984	I	Wife as a Co-Trustee of a Family Trust

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	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	10. Ownership Form of Derivative Security: Direct (D) or Indirect	11. Nature of Indirect Beneficial Ownership (Instr. 4)
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		Day/ Year)	Disposed of (D) (Instr. 3, 4, and 5)				Date Exercisable	Expiration Date	Title	Amount or Number of Shares	Transaction(s) (Instr. 4)	(I) (Instr. 4)
			Code	V	(A)	(D)						
Stock Option (Right to Buy) ⁽²⁾	\$8					(2)	06/16/2018	Common Stock	35,000	35,000	D	
Stock Option (Right to Buy) ⁽³⁾	\$15.04					11/03/2003	11/03/2013	Common Stock	100,000	100,000	D	
Stock Option (Right to Buy) ⁽³⁾	\$5.605					04/19/1999	04/19/2009	Common Stock	45,002	45,002	D	
Reload Stock Option (Right to Buy) ⁽³⁾	\$15.06					10/31/2003	04/19/2009	Common Stock	9,305	9,305	D	

Explanation of Responses:

- Includes 16,500 Restricted Stock Awards that will vest over a five-year period, commencing on June 16, 2008, the date of the award, 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 42,500 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. Accordingly, 34,000 shares have vested and 25,000 shares have not vested.
- This incentive stock option vests in five equal annual installments, with the first installment vesting one year from the date of grant, or on June 16, 2009, and continuing each anniversary thereafter through June 16, 2013.
- This incentive stock option has vested.

Signatures

/s/ Kim Stuart Price

** 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.

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.