

PRE PAID LEGAL SERVICES INC
 Form 4
 December 10, 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 *
 SMITH THOMAS W

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)

(Last) (First) (Middle)
 323 RAILROAD AVENUE
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 12/08/2008

Director 10% Owner
 Officer (give title below) Other (specify below)
 Member of Section 13(d) Group

GREENWICH, CT 06830

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

(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 | 12/08/2008 | | S | | 3,600 | D | \$ 37.33 | 993,756 | I ⁽¹⁾ | By Idoya Partners LP ⁽¹⁾ |
| Common Stock | 12/08/2008 | | S | | 3,022 | D | \$ 37.14 | 990,734 | I ⁽¹⁾ | By Idoya Partners LP ⁽¹⁾ |
| Common Stock | 12/08/2008 | | S | | 150,000 | D | \$ 35.08 | 840,734 | I ⁽¹⁾ | By Idoya Partners LP ⁽¹⁾ |
| Common Stock | 12/09/2008 | | S | | 100,000 | D | \$ 37.73 | 740,734 | I ⁽¹⁾ | By Idoya Partners |

| | | | | | | | | |
|--------------|------------|---|--------|---|----------|---------|------------------|--|
| Common Stock | 12/10/2008 | S | 52,300 | D | \$ 38.02 | 688,434 | I ⁽¹⁾ | LP ⁽¹⁾ By Idoya Partners LP ⁽¹⁾ |
|--------------|------------|---|--------|---|----------|---------|------------------|--|

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 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) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|--|
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|--|

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | | Title |
|---|---------------|-----------|---------|-------|-------------------------------|
| | Director | 10% Owner | Officer | Other | |
| SMITH THOMAS W 323 RAILROAD AVENUE GREENWICH, CT 06830 | X | X | | | Member of Section 13(d) Group |
| VASSALLUZZO SCOTT J 323 RAILROAD AVENUE GREENWICH, CT 06830 | | X | | | Member of Section 13(d) Group |
| Fischer Steven M 323 RAILROAD AVENUE GREENWICH, CT 06830 | | X | | | Member of Section 13(d) Group |

Signatures

/s/ Thomas W. Smith
12/10/2008
Date

**Signature of
Reporting Person

Scott J.
Vassalluzzo

12/10/2008

**Signature of
Reporting Person

Date

Steven M.
Fischer

12/10/2008

**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) These shares are owned directly by Idoya Partners L.P. ("Idoya"), a private investment limited partnership, and indirectly by Thomas W. Smith, Scott J. Vassalluzzo and Steven M. Fischer as general partners of Idoya (collectively, the "General Partners"). The General Partners disclaim beneficial ownership of these shares in excess of their pecuniary interest under 16a-1(a)(2)(ii)(B). The address for Idoya is 323 Railroad Avenue, Greenwich, CT 06830

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.