

PRE PAID LEGAL SERVICES INC
 Form 4
 November 28, 2006

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
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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 *
 PRESCOTT ASSOCIATES

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)
 11/27/2006

____ Director
 ____ 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 Ownership: Indirect Beneficial Ownership (Instr. 4)
Common Stock	11/27/2006		S	(A) or (D) 180,000 <u>(1)</u>	\$ 41.88	D <u>(1)</u>	
					1,014,675 <u>(1)</u>	D <u>(1)</u>	

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

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SEC 1474
 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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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. Nu Deriv Secur Bene Own Follo Repo Trans (Instr
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Date Exercisable	Expiration Date	Title	Amount or Number of Shares
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Code V (A) (D)

Reporting Owners

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

Signatures

/s/ Thomas W. Smith, individually and as general partner of Prescott Associates	/s/ Scott J. Vassalluzzo, individually and as general partner of Prescott Associates	11/28/2006
__Signature of Reporting Person		Date
/s/ Thomas W. Smith, individually and as general partner of Prescott Associates		11/28/2006
__Signature of Reporting Person		Date
Scott J. Vassalluzzo, individually and as general partner of Prescott Associates		11/28/2006
__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 Prescott Associates, a private investment limited partnership, and indirectly by Thomas W. Smith and Scott J. Vassalluzzo as general partners of Prescott Associates. Messrs. Smith and Vassalluzzo disclaim beneficial ownership of these shares in excess of their pecuniary interest under 16a-1(a)(2)(ii)(B). The address for Prescott Associates 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.

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