

PROSPERITY BANCSHARES INC
 Form 4
 September 08, 2005

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 *
 Fisher Peter

2. Issuer Name and Ticker or Trading Symbol
 PROSPERITY BANCSHARES INC
 [PRSP]

5. Relationship of Reporting Person(s) to Issuer
 (Check all applicable)

(Last) (First) (Middle)
 4295 SAN FELIPE
 (Street)

3. Date of Earliest Transaction
 (Month/Day/Year)
 09/06/2005

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
 General Counsel

HOUSTON, TX 77027

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	09/06/2005		S		10,433	D	\$ 29.76
Common Stock	09/07/2005		M		5,000	A	\$ 11.5
Common Stock	09/07/2005		M		5,433	A	\$ 9.2
Common Stock						I	2,972
Common Stock						I	4,675 ⁽⁴⁾
							Through IRA
							By Prosperity Bancshares

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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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 (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. Amount or Number of Shares
Employee Stock Option (right to buy)	\$ 11.5	09/07/2005		M	5,000	<u>(2)</u> 12/31/2010	Common Stock	5,000
Employee Stock Option (right to buy)	\$ 9.2	09/07/2005		M	5,433	<u>(2)</u> 08/01/2011	Common Stock	5,433

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Fisher Peter 4295 SAN FELIPE HOUSTON, TX 77027			General Counsel	

Signatures

/s/ Peter Fisher 09/08/2005
 **Signature of Date
 Reporting Person

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) The number of securities beneficially owned by the reporting person following the transactions reported on this Form 4 is listed on rows 3, 4 and 5.
- (2) The option became fully vested on September 1, 2002.
- (3) There was no price associated with this stock option grant.
- (4) Includes 578 shares acquired through the Prosperity Bancshares 401(k) Plan since the last Form 4 filed by the reporting person.

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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