

Krauter David H
 Form 4
 January 07, 2011

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 *
 Krauter David H

2. Issuer Name and Ticker or Trading Symbol
 PRUDENTIAL BANCORP INC OF PENNSYLVANIA [PBIP]

5. Relationship of Reporting Person(s) to Issuer
 (Check all applicable)
 ___ Director ___ 10% Owner
 Officer (give title below) ___ Other (specify below)
 VP and Chief Lending Officer

(Last) (First) (Middle)
 C/O PRUDENTIAL SAVINGS BANK, 1834 OREGON AVENUE
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 01/05/2011

PHILADELPHIA, PA 19145

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 (Instr. 4)
			Code	V Amount (A) or (D) Price			
Common Stock	01/05/2011		F ⁽¹⁾	944 D \$ 6.06	12,942 ⁽²⁾	D	
Common Stock					2,146 ⁽³⁾	I	By 401(k) Plan
Common Stock					4,704 ⁽⁴⁾	I	By ESOP

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

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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 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 or Value of Underlying Securities (Instr. 3 and 4)
Employee Stock Option (Right to Buy)	\$ 11.17				(5)	01/05/2019	Common Stock	33,922

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Krauter David H C/O PRUDENTIAL SAVINGS BANK 1834 OREGON AVENUE PHILADELPHIA, PA 19145			VP and Chief Lending Officer	

Signatures

/s/ Joseph R. Corrato A.I.F. for David H. Krauter 01/07/2011

__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) Disposition solely to meet tax obligations for distribution from recognition and retention plan.
- (2) Includes 9,000 shares held in the 2008 Recognition and Retention Plan Trust which reflect the unvested portion of a grant amount originally covering 15,000 shares that commenced vesting at a rate of 20% per year on January 5, 2010.
- (3) Represents units of the Issuer's securities held in the 401(k) plan on the Reporting Person's behalf. Each unit represents one share of common stock.

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- (4) Reflects ESOP allocations that have occurred since the date of the Reporting Person's last ownership report.
- (5) The options are vesting at a rate of 20% per year commencing on January 5, 2010.

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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