

HALLMARK FINANCIAL SERVICES INC  
 Form 4  
 June 29, 2007

**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 \*  
 MEYER DONALD E

2. Issuer Name and Ticker or Trading Symbol  
 HALLMARK FINANCIAL SERVICES INC [HALL]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
 7411 JOHN SMITH DRIVE, SUITE 1400  
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)  
 06/27/2007

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
 PRESIDENT OF OPERATING UNIT

SAN ANTONIO, TX 78229

(City) (State) (Zip)

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

**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                                                                                        | (D)                                                      | Price                                                 |
| COMMON STOCK                    | 06/27/2007                           |                                                    | P                              |                                                                   | 500                                                                                           | A                                                        | \$ 11.99                                              |
| COMMON STOCK                    | 06/27/2007                           |                                                    | P                              |                                                                   | 100                                                                                           | A                                                        | \$ 11.97                                              |
| COMMON STOCK                    | 06/27/2007                           |                                                    | P                              |                                                                   | 400                                                                                           | A                                                        | \$ 12 4,734                                           |

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**

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displays a currently valid OMB control number.

**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) | Amount or Number of Shares |
|--------------------------------------------|--------------------------------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-----------------------------------------------------------------------------------------|----------------------------------------------------------|---------------------------------------------------------------|----------------------------|
| EMPLOYEE STOCK OPTION (RIGHT TO BUY)       | \$ 12.52                                               |                                      |                                                    |                                | (1)                                                                                     | 05/24/2017                                               | COMMON STOCK                                                  | 15,000                     |

## Reporting Owners

| Reporting Owner Name / Address                                                 | Relationships |           |                             |       |
|--------------------------------------------------------------------------------|---------------|-----------|-----------------------------|-------|
|                                                                                | Director      | 10% Owner | Officer                     | Other |
| MEYER DONALD E<br>7411 JOHN SMITH DRIVE<br>SUITE 1400<br>SAN ANTONIO, TX 78229 |               |           | PRESIDENT OF OPERATING UNIT |       |

## Signatures

STEVEN D. DAVIDSON AS ATTORNEY-IN-FACT FOR DONALD E. MEYER  
 Signature of Reporting Person: \_\_\_\_\_ Date: 06/29/2007

## 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) Represents employee stock options exercisable as to 1,500, 3,000, 4,500 and 6,000 shares on May 24, 2008, 2009, 2010 and 2011, respectively.

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.