

GRAVES JAMES H

Form 4

March 05, 2009

FORM 4**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

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

OMB APPROVAL

OMB
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(Print or Type Responses)

1. Name and Address of Reporting Person *
GRAVES JAMES H

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)

3. Date of Earliest Transaction
(Month/Day/Year)
12/09/2008

☒ Director ☐ 10% Owner
☐ Officer (give title below) ☐ Other (specify below)

2100 MCKINNEY
AVENUE, SUITE 900

(Street)

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

DALLAS, TX 75201

(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) |
|---------------------------------------|---|---|---|--|--|--|---|
| COMMON STOCK | 12/09/2008 | | M | 8,333 A | \$ 2.25 50,922 | D | |
| COMMON STOCK | | | | | 66,894 | I | By limited partnership |

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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SEC 1474
(9-02)

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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) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| DIRECTOR STOCK OPTION (RIGHT TO BUY) | \$ 11.46 | | | | | 11/23/2008 05/22/2018 | COMMON STOCK 5,0 |
| DIRECTOR STOCK OPTION (RIGHT TO BUY) | \$ 12.52 | | | | | 11/25/2007 05/24/2017 | COMMON STOCK 10, |
| DIRECTOR STOCK OPTION (RIGHT TO BUY) | \$ 2.25 | 12/09/2008 | | M | 8,333 | 09/15/2000 03/14/2010 | COMMON STOCK 8,3 |

Reporting Owners

| Reporting Owner Name / Address | Relationships |
|---|----------------------------------|
| | Director 10% Owner Officer Other |
| GRAVES JAMES H 2100 MCKINNEY AVENUE SUITE 900 DALLAS, TX 75201 | X |

Signatures

STEVEN D. DAVIDSON AS ATTORNEY-IN-FACT FOR JAMES H. GRAVES

03/05/2008

__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) Represents director stock options.

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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