DAVIS BROOKLAND F

Form 4 June 01, 2009

FORM 4

OMB APPROVAL

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

OMB Number:

3235-0287

Check this box if no longer

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

January 31, Expires: 2005

subject to Section 16. Form 4 or Form 5

SECURITIES

Estimated average burden hours per response... 0.5

obligations may continue. See Instruction

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

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * DAVIS BROOKLAND F

2. Issuer Name and Ticker or Trading

5. Relationship of Reporting Person(s) to Issuer

Symbol HALLMARK FINANCIAL

SERVICES INC [HALL]

(Check all applicable)

(Last)

(First) (Middle) 3. Date of Earliest Transaction

Director 10% Owner X_ Officer (give title Other (specify

777 MAIN STREET, SUITE 1000

(Street)

05/28/2009

(Month/Day/Year)

below) EXECUTIVE VICE PRESIDENT

6. Individual or Joint/Group Filing(Check

4. If Amendment, Date Original

Applicable Line)

Filed(Month/Day/Year)

X Form filed by One Reporting Person Form filed by More than One Reporting

Person

FORT WORTH, TX 76102

(City) (State) (Zip) Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Month/Day/Year) (Instr. 3)

2. Transaction Date 2A. Deemed Execution Date, if

(Month/Day/Year)

3. 4. Securities TransactionAcquired (A) or Code Disposed of (D) (Instr. 3, 4 and 5) (Instr. 8)

5. Amount of Securities Beneficially Owned Following

6. Ownership 7. Nature of Form: Direct Indirect (D) or Beneficial Indirect (I) Ownership (Instr. 4) (Instr. 4)

(A)

Reported Transaction(s)

(Instr. 3 and 4) Code V Amount (D) Price

COMMON

80,039

I

STOCK

COMMON STOCK

2,372

D

By Spouse

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

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$\label{thm:convergence} \begin{tabular}{ll} Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned \\ (e.g., puts, calls, warrants, options, convertible securities) \end{tabular}$

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)	Code	5. Number of orDerivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exer Expiration I (Month/Day	ate	7. Title and Amount Underlying Securitie (Instr. 3 and 4)	
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title	Am or Nur of S
EMPLOYEE STOCK OPTION (RIGHT TO BUY)	\$ 6.61	05/28/2009(1)		A	55,000	(2)	04/01/2019	COMMON STOCK	55,
EMPLOYEE STOCK OPTION (RIGHT TO BUY)	\$ 11.46					(3)	05/22/2018	COMMON STOCK	37,
EMPLOYEE STOCK OPTION (RIGHT TO BUY)	\$ 12.52					<u>(4)</u>	05/24/2017	COMMON STOCK	75,
EMPLOYEE STOCK OPTION (RIGHT TO BUY)	\$ 11.34					(5)	05/25/2016	COMMON STOCK	16
EMPLOYEE STOCK OPTION (RIGHT TO BUY)	\$ 7.14					<u>(6)</u>	05/27/2015	COMMON STOCK	16.

Reporting Owners

Reporting Owner Name / Address	Relationships					
1 0	Director	10% Owner	Officer	Other		
DAVIS BROOKLAND F			EXECUTIVE VICE PRESIDENT			
777 MAIN STREET						
SUITE 1000						

Reporting Owners 2

FORT WORTH, TX 76102

Signatures

STEVEN D. DAVIDSON AS ATTORNEY-IN-FACT FOR BROOKLAND F. DAVIS

06/01/2009

**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) The option was conditionally granted on April 1, 2009, subject to shareholder approval of an amendment to the plan under which the option was granted. The plan amendment was approved by shareholders on May 28, 2009.
- (2) Represents grant of employee stock options which become exercisable in seven equal annual installments commencing April 1, 2010.
- (3) Represents employee stock options exercisable as to 3,750, 7,500, 11,250 and 15,000 shares on May 22, 2009, 2010, 2011 and 2012, respectively.
- (4) Represents employee stock options exercisable as to 7,500, 15,000, 22,500 and 30,000 shares on May 24, 2008, 2009, 2010 and 2011, respectively.
- (5) Represents employee stock options exercisable as to 1,667, 3,333, 5,000 and 6,667 shares on May 25, 2007, 2008, 2009 and 2010, respectively.
- (6) Represents employee stock options exercisable as to 1,667, 3,333, 5,000 and 6,667 shares on May 27, 2006, 2007, 2008 and 2009, 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.

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