

DALLAS DAVID D
 Form 4
 December 22, 2008

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 *
DALLAS DAVID D

 (Last) (First) (Middle)
**C/O UNITY BANCORP INC, 64
 OLD HIGHWAY 22**

 (Street)
CLINTON, NJ 08809

 (City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
UNITY BANCORP INC /NJ/ [unty]

3. Date of Earliest Transaction
 (Month/Day/Year)
12/18/2008

4. If Amendment, Date Original Filed(Month/Day/Year)

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

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

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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | | (A) or (D) Code V Amount (D) Price | | | |
| Common Stock | | | | | 205,493 ⁽¹⁾ | D | |
| Common Stock | | | | | 9,787 | I | Son |
| Common Stock | | | | | 793,051 | I | Dallas Financial Holdings, LLC ⁽²⁾ |
| Common Stock | | | | | 38,413 | I | Trenton Liberty Ins. Co. ⁽²⁾ |

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

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(9-02)

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. Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|
| Stock Option | \$ 3.8 | 12/18/2008 | | A | 8,000 (3) | 12/18/2009 12/18/2018 | Common Stock | 8,000 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | | Other |
|---|---------------|-----------|---------|--|----------|
| | Director | 10% Owner | Officer | | |
| DALLAS DAVID D C/O UNITY BANCORP INC 64 OLD HIGHWAY 22 CLINTON, NJ 08809 | X | X | | | Chairman |

Signatures

David Dallas, by POA Linda B. McDermott
12/22/2008
**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) 203,234 in common stock; 2,259 in restricted stock;
- (2) Also reported as indirectly owned by brother, Robert H. Dallas, II.
- (3) 8,000 non-qualified stock options were granted on 12/18/2008 and issued from the 2002 Stock Option Plan; vesting over a three-year period, and on each of the first three anniversary dates, one-third of the option shall vest; i.e., 2,666 on 12/18/2009; 2,667 on 12/18/2010; and 2,667 on 12/18/2011.

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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