KASITZ KEVIN Form 4 June 29, 2006

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

Washington, D.C. 20549

Check this box if no longer subject to Section 16. Form 4 or Form 5

SECURITIES obligations

may continue. See Instruction 1(b).

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)

(Last)

1. Name and Address of Reporting Person * KASITZ KEVIN

(First)

(Street)

2. Issuer Name and Ticker or Trading Symbol

Issuer

(Middle)

HALLMARK FINANCIAL SERVICES INC [HAF]

3. Date of Earliest Transaction

Director 10% Owner

5. Relationship of Reporting Person(s) to

(Month/Day/Year) 777 MAIN STREET, SUITE 1000

05/25/2006

X_ Officer (give title Other (specify below) PRESIDENT OF SUBSIDIARY

(Check all applicable)

4. If Amendment, Date Original

6. Individual or Joint/Group Filing(Check

Filed(Month/Day/Year)

Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting

D

Person

FORT WORTH, TX 76102

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

1.Title of Security (Instr. 3)

2. Transaction Date 2A. Deemed (Month/Day/Year) 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 (D) or Owned Following

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

OMB APPROVAL

3235-0287

January 31,

2005

0.5

OMB

Number:

Expires:

response...

Estimated average

burden hours per

(A)

Reported Transaction(s) (Instr. 3 and 4)

Code V Amount (D) Price

45,555

COMMON STOCK

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

Persons who respond to the collection of SEC 1474 information contained in this form are not (9-02)required to respond unless the form 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)

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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. Transacti Code (Instr. 8)	5. Number of onDerivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exerc Expiration D (Month/Day/	ate	7. Title and Am Underlying Sec (Instr. 3 and 4)	
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title	Aı Nı Sh
EMPLOYEE STOCK OPTION (RIGHT TO BUY)	\$ 1.89	05/25/2006		A	100,000	<u>(1)</u>	05/24/2016	COMMON STOCK	10
EMPLOYEE STOCK OPTION (RIGHT TO BUY)	\$ 1.19					<u>(2)</u>	05/26/2010	COMMON STOCK	10
EMPLOYEE STOCK OPTION (RIGHT TO BUY)	\$ 0.57					(3)	01/25/2009	COMMON STOCK	10
EMPLOYEE STOCK OPTION (RIGHT TO BUY)	\$ 0.65					<u>(4)</u>	03/31/2008	COMMON STOCK	1

Reporting Owners

Reporting Owner Name / Address	Relationships					
	Director	10% Owner	Officer	Other		

KASITZ KEVIN 777 MAIN STREET SUITE 1000 FORT WORTH, TX 76102

PRESIDENT OF SUBSIDIARY

Signatures

STEVEN D. DAVIDSON AS ATTORNEY-IN-FACT FOR KEVIN KASITZ 06/29/2006

**Signature of Reporting Person Date

Reporting Owners 2

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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 10,000, 20,000, 30,000 and 40,000 shares on May 25, 2007, 2008, 2009 and 2010, respectively.
- (2) Represents employee stock options exercisable as to 10,000, 20,000, 30,000 and 40,000 shares on May 27, 2006, 2007, 2008 and 2009, respectively.
- (3) Represents employee stock options exercisable as to 10,000, 20,000, 30,000 and 40,000 shares on January 26, 2005, 2006, 2007 and 2008, respectively.
- (4) Represents employee stock options exercisable as to 5,000 shares on each of April 1, 2005 and 2006.

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.