Edgar Filing: HALLMARK FINANCIAL SERVICES INC - Form 4

FORM 4 OMB > DESCRPTION SECURITIES AND EXCHANGE COMMISSION MUSSION MUSSION D.C. 20549 OMB Number: 3235-028 Check this box if no longer subject to Section 16. STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES AND EXCHANGES IN BENEFICIAL OWNERSHIP OW	HALLMARK Form 4 June 03, 2013	FINANCIAL SER	VICES INC						
1. Name and Address of Reporting Person _ KASITZ KEVIN 2. Issuer Name and Ticker or Trading Symbol 5. Relationship of Reporting Person(s) to Issuer (Last) (First) (Middle) 3. Date of Earliest Transaction (Month/Day/Year) Check all applicable) 777 MAIN STREET, SUITE 1000 05/30/2013 — Director _ Low Other (specify below) — Director [Street] — 00% Owner [Street] (Street) 4. If Amendment, Date Original Filed(Month/Day/Year) 6. Individual or Joint/Group Filing(Check Applicable Line) — Streeting Person _ Form filed by More than One Reporting Person _ Form filed by More than One Reporting Person _ Form filed by More than One Reporting Person _ Form filed by More than One Reporting Person _ Form filed by More than One Reporting Person _ Form filed by More than One Reporting Person _ Form filed by More than One Reporting Person _ Form filed by More than One Reporting Person _ Form filed by More than One Reporting Person _ Form filed by More than One Reporting Person _ Form filed by More than One Reporting Person _ Form filed by More than One Reporting Person _ Form filed by More than One Reporting Person _ Form filed by More than One Reporting Person _ Form filed by More than One Reporting Person _ Form filed by More than One Reporting Person _ Form filed by More than One Reporting Person _ Form filed by Owned _ Indirect (I) Ownership _ following (Instr. 3) (City) (State) 2. Transaction Date _ 2A. Deemed _ any _ (Month/Day/Year) 3. 4. Securities _ form Signado (A) or _ form : Direct _ form: Direct _ for	FORM Check this b if no longer subject to Section 16. Form 4 or Form 5 obligations may continu <i>See</i> Instruction	Filed pursua Section 17(a) o	Wash NT OF CHANG S nt to Section 16(of the Public Utili	ington, D.C. 205 ES IN BENEFI SECURITIES a) of the Securiti ity Holding Com	549 CIAL OWI es Exchange pany Act of	NERSHIP OF e Act of 1934, i 1935 or Sectior	OMB Number: Expires: Estimated a burden hou response	3235-0287 January 31, 2005 Iverage	
KASITZ KEVIN Symbol HALLMARK FINANCIAL SERVICES INC [HALL] Issuer (Last) (First) (Middle) 3. Date of Earliest Transaction (Month/Day/Year) (Check all applicable) 777 MAIN STREET, SUITE 1000 3. Date of Earliest Transaction (Month/Day/Year) — Director —X	(Print or Type Res	ponses)							
777 MAIN STREET, SUITE 1000 (Month/Day/Year) 05/30/2013 Image: Construction of the section of the second of the section of the section of the section of th			Symbol HALLMA	Symbol HALLMARK FINANCIAL			Issuer		
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						26,426	D		

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 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. Transactic Code (Instr. 8)	5. Number of orDerivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amo Underlying Secu (Instr. 3 and 4)
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title
RESTRICTED STOCK UNITS	<u>(1)</u>	05/30/2013 <u>(1)</u>		А	15,040	03/31/2016	03/31/2016	COMMON STOCK
RESTRICTED STOCK UNITS	(2)	05/30/2013 <u>(2)</u>		А	16,730	03/31/2015	03/31/2015	COMMON STOCK
EMPLOYEE STOCK OPTION (RIGHT TO BUY)	\$ 6.61					<u>(3)</u>	04/01/2019	COMMON STOCK
EMPLOYEE STOCK OPTION (RIGHT TO BUY)	\$ 11.46					<u>(4)</u>	05/22/2018	COMMON STOCK
EMPLOYEE STOCK OPTION (RIGHT TO BUY)	\$ 12.52					(5)	05/24/2017	COMMON STOCK
EMPLOYEE STOCK OPTION (RIGHT TO BUY)	\$ 11.34					<u>(6)</u>	05/25/2016	COMMON STOCK
EMPLOYEE STOCK OPTION (RIGHT TO BUY)	\$ 7.14					<u>(7)</u>	05/27/2015	COMMON STOCK

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Reporting Owners

Reporting Owner Name / Address

Relationships

Executive Vice President; COO

Director 10% Owner Officer

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

Signatures

STEVEN D. DAVIDSON AS ATTORNEY-IN-FACT FOR KEVIN KASITZ

**Signature of Reporting Person

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).

Represents restricted stock units conditionally granted April 10, 2013 subject to shareholder approval, which was obtained May 30, 2013. Each restricted stock unit represents the right to receive shares of common stock upon satisfaction of vesting requirements and performance criteria. The performance criteria are based on the compound average annual growth rate ("CAGR") in book value per share

(1) from January 1, 2013 to December 31, 2015, and earn a percentage of a share of common stock per restricted stock unit, as follows: (i) CAGR less than 8% earns 0%; (ii) 8% CAGR earns 50%; (iii) 9% CAGR earns 64%; (iv) 10% CAGR earns 79%; (v) 11% CAGR earns 93%; (vi) 12% CAGR earns 107% shares; (vii) 13% CAGR earns 122%; (viii) 14% CAGR earns 136%; and (ix) 15% or greater CAGR earns 150%.

Represents restricted stock units conditionally granted July 27, 2012 subject to shareholder approval, which was obtained May 30, 2013. Each restricted stock unit represents the right to receive shares of common stock upon satisfaction of vesting requirements and performance criteria. The performance criteria are based on the compound average annual growth rate ("CAGR") in book value per share

- (2) from January 1, 2012 to December 31, 2014, and earn a percentage of a share of common stock per restricted stock unit, as follows: (i) CAGR less than 8% earns 0%; (ii) 8% CAGR earns 50%; (iii) 9% CAGR earns 64%; (iv) 10% CAGR earns 79%; (v) 11% CAGR earns 93%; (vi) 12% CAGR earns 107% shares; (vii) 13% CAGR earns 122%; (viii) 14% CAGR earns 136%; and (ix) 15% or greater CAGR earns 150%.
- (3) Represents grant of employee stock options which become exercisable in seven equal annual installments commencing April 1, 2010.
- (4) 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.
- (5) 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.
- (6) 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.
- (7) 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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Other

06/03/2013 Date