

Guaranty Financial Group Inc.  
Form 4  
October 02, 2008

**FORM 4**

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

OMB APPROVAL

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**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 \*  
ICAHN CARL C

2. Issuer Name and Ticker or Trading Symbol  
Guaranty Financial Group Inc.  
[GFG]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)  
10/01/2008

\_\_\_\_ Director  
\_\_\_\_ Officer (give title below)  
\_\_\_\_ 10% Owner  
\_\_\_\_ Other (specify below)  
see footnotes 1 - 9

C/O ICAHN ASSOCIATES  
CORP., 767 FIFTH AVE., SUITE  
4700

(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

NEW YORK, NY 10153

(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 Ownership (Instr. 4)
Common Stock, par value \$1.00 per share ("Shares")	10/01/2008		S	40,000 D	\$ 4.1826 18,519,628	I	see footnotes (1) (2) (3) (4) (5)
Common Stock	10/01/2008		X/K <sup>(8)</sup>	13,916 A	\$ 5.35 18,533,544	I	see footnotes (1) (2) (3) (4) (5)

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Common Stock	10/01/2008	J/K <sup>(8)</sup>	13,916	D	<u>(8)</u>	18,519,628	I	see footnotes <u>(1)</u> <u>(2)</u> <u>(3)</u> <u>(4)</u> <u>(5)</u>
Common Stock	10/02/2008	X/K <sup>(9)</sup>	1,600	A	\$ 5.35	18,521,228	I	see footnotes <u>(1)</u> <u>(2)</u> <u>(3)</u> <u>(4)</u> <u>(5)</u>
Common Stock	10/02/2008	J/K <sup>(9)</sup>	1,600	D	<u>(9)</u>	18,519,628	I	see footnotes <u>(1)</u> <u>(2)</u> <u>(3)</u> <u>(4)</u> <u>(5)</u>

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. P Deriv Sec (Ins	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Total Return Swap	\$ 5.35	10/01/2008		X <sup>(8)</sup>	0 <u>(8)</u>	<u>(8)</u> 12/28/2010	Common Stock	13,916	
Total Return Swap	\$ 5.35	10/02/2008		X/K <sup>(9)</sup>	0 <u>(9)</u>	<u>(9)</u> 12/28/2010	Common Stock	1,600	

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
ICAHN CARL C C/O ICAHN ASSOCIATES CORP. 767 FIFTH AVE., SUITE 4700 NEW YORK, NY 10153		X		see footnotes 1 - 9
HIGH RIVER LIMITED PARTNERSHIP 445 HAMILTON AVENUE SUITE 1210 WHITE PLAINS, NY 10601				see footnotes 1 - 9
ICAHN PARTNERS MASTER FUND LP C/O WALKER HOUSE 87 MARY STREET GEORGE TOWN, GRAND CAYMAN, E9 KY1-9001				see footnotes 1 - 9
ICAHN PARTNERS MASTER FUND II L.P. C/O WALKER HOUSE 87 MARY STREET GRAND CAYMAN, CAYMAN ISLANDS, E9 KY1-9001				see footnotes 1 - 9
ICAHN PARTNERS MASTER FUND III L.P. C/O WALKER HOUSE 87 MARY STREET GRAND CAYMAN, CAYMAN ISLANDS, E9 KY1-9001				see footnotes 1 - 9
ICAHN PARTNERS LP 445 HAMILTON AVENUE SUITE 1210 WHITE PLAINS, NY 10601				see footnotes 1 - 9

## Signatures

CARL C.                      10/02/2008  
ICAHN

        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) High River Limited Partnership ("High River") directly beneficially owns 3,823,308 Shares, Icahn Partners LP ("Icahn Partners") directly beneficially owns 5,705,963 Shares, Icahn Partners Master Fund LP ("Icahn Master") directly beneficially owns 6,259,403 Shares, Icahn Partners Master Fund II LP ("Icahn Master II") directly beneficially owns 1,978,810 Shares, and Icahn Partners Master Fund III LP ("Icahn Master III") directly beneficially owns 752,144 Shares.
- (2) Barberrry Corp. ("Barberrry"), is the sole member of Hopper Investments LLC ("Hopper"), which is the general partner of High River. Beckton Corp. ("Beckton") is the sole stockholder of Icahn Enterprises G.P. Inc. ("Icahn Enterprises GP"), which is the general partner of Icahn Enterprises Holdings L.P. ("Icahn Enterprises Holdings"). Icahn Enterprises Holdings is the sole member of IPH GP LLC ("IPH"), which is the general partner of Icahn Capital LP ("Icahn Capital"). Icahn Capital is the general partner of each of Icahn Onshore LP ("Icahn Onshore") and Icahn Offshore LP ("Icahn Offshore"). Icahn Onshore is the general partner of Icahn Partners. Icahn Offshore is

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the general partner of each of Icahn Master, Icahn Master II and Icahn Master III.

Each of Barberry and Beckton is 100 percent owned by Carl C. Icahn. As such, Mr. Icahn is in a position indirectly to determine the investment and voting decisions made by each of High River, Icahn Partners, Icahn Master, Icahn Master II and Icahn Master III. Each of

- (3) Hopper, Barberry and Mr. Icahn may be deemed to indirectly beneficially own (as that term is defined in Rule 13d-3 under the Act) the Shares which High River owns. Each of Hopper, Barberry and Mr. Icahn disclaims beneficial ownership of such Shares except to the extent of their pecuniary interest therein.

- (4) Each of Icahn Onshore, Icahn Capital, IPH, Icahn Enterprises Holdings, Icahn Enterprises GP, Beckton and Mr. Icahn may be deemed to indirectly beneficially own (as that term is defined in Rule 13d-3 under the Act) the Shares which Icahn Partners owns. Each of Icahn Onshore, Icahn Capital, IPH, Icahn Enterprises Holdings, Icahn Enterprises GP, Beckton and Mr. Icahn disclaims beneficial ownership of such Shares except to the extent of their pecuniary interest therein.

- (5) Each of Icahn Offshore, Icahn Capital, IPH, Icahn Enterprises Holdings, Icahn Enterprises GP, Beckton and Mr. Icahn may be deemed to indirectly beneficially own (as that term is defined in Rule 13d-3 under the Act) the Shares which each of Icahn Master, Icahn Master II and Icahn Master III owns. Each of Icahn Offshore, Icahn Capital, IPH, Icahn Enterprises Holdings, Icahn Enterprises GP, Beckton and Mr. Icahn disclaims beneficial ownership of such Shares except to the extent of their pecuniary interest therein.

- (6) Each of High River, Icahn Partners, Icahn Master, Icahn Master II and Icahn Master III has entered into various cash-settled total return swap agreements (each a "Swap") with fixed termination dates and with respect to a notional number of shares of Common Stock ("reference shares") of the Issuer as set forth in Table II of the Form 3 filed by the Reporting Persons on October 2, 2008 (the "Form 3") and the applicable footnotes thereto. Generally, under each Swap, at termination, the counterparty is obligated to pay to High River, Icahn Partners, Icahn Master, Icahn Master II and Icahn Master III, as applicable, in cash, amounts that are determined in part by reference to any increase between an initial reference price per share as set forth in Table II of the Form 3 and the market value of such reference shares on the applicable termination date.

- (7) In addition, generally under each Swap, each of High River, Icahn Partners, Icahn Master, Icahn Master II and Icahn Master III, as applicable, is obligated to pay to the counterparty, in cash, amounts that are determined in part by reference to any decrease between the initial reference price per share set forth in Table II of the Form 3 and the market value of such reference shares on the applicable termination date. None of the Swaps provides for any of the Reporting Persons to have direct or indirect voting, investment or dispositive control over any reference shares and, accordingly, the Reporting Persons disclaim any beneficial ownership in any reference shares or other securities, if any, which may be owned by the counterparties to such Swaps.

- (8) On October 1, 2008, upon the partial termination of a Swap entered into by High River, Icahn Partners, Icahn Master, Icahn Master II and Icahn Master III on June 12, 2008, High River, Icahn Partners, Icahn Master, Icahn Master II and Icahn Master III paid to the counterparty an amount representing, for 13,916 of the shares of Common Stock subject to the Swap, the decrease between \$5.35 (the initial reference price) and \$4.1826 (the final valuation price). Pursuant to Rule 16a-4(b) under the Exchange Act, the partial termination of the Swap is being reported as a simultaneous purchase (which is exempt from the operation of Section 16(b) of the Exchange Act pursuant to Rule 16-6(b) under the Exchange Act) and sale of the reference shares.

- (9) On October 2, 2008, upon the partial termination of a Swap entered into by High River, Icahn Partners, Icahn Master, Icahn Master II and Icahn Master III on June 11, 2008, High River, Icahn Partners, Icahn Master, Icahn Master II and Icahn Master III paid to the counterparty an amount representing, for 1,600 of the shares of Common Stock subject to the Swap, the decrease between \$5.35 (the initial reference price) and \$4.2238 (the final valuation price). Pursuant to Rule 16a-4(b) under the Exchange Act, the partial termination of the Swap is being reported as a simultaneous purchase (which is exempt from the operation of Section 16(b) of the Exchange Act pursuant to Rule 16-6(b) under the Exchange Act) and sale of the reference shares.

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.