

PITTMAN DONALD S  
 Form 5  
 February 14, 2012

**FORM 5**

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

OMB APPROVAL  
 OMB Number: 3235-0362  
 Expires: January 31, 2005  
 Estimated average burden hours per response... 1.0

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).  
 Form 3 Holdings Reported Form 4 Transactions Reported

**ANNUAL 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

|   |         |          |  |  |   |  |
|---|---------|----------|--|--|---|--|
| 1. Name and Address of Reporting Person * |         |          | 2. Issuer Name and Ticker or Trading Symbol                  |  | 5. Relationship of Reporting Person(s) to Issuer                      |  |
| PITTMAN DONALD S                          |         |          | NATIONAL SECURITY GROUP INC [NSEC]                           |  | (Check all applicable)  |  |
| (Last)                                    | (First) | (Middle) | 3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year) |  | <input checked="" type="checkbox"/> Director                          | <input type="checkbox"/> 10% Owner             |
|   |         |          | 12/31/2011   |  | <input type="checkbox"/> Officer (give title below)                   | <input type="checkbox"/> Other (specify below) |
| 227 SYLVAN DRIVE                          |         |          | 4. If Amendment, Date Original Filed(Month/Day/Year)         |  | 6. Individual or Joint/Group Reporting                                |  |
|   |         |          |  |  | (check applicable line)   |  |
| ENTERPRISE, ALA 36330                     |         |          |  |  | <input type="checkbox"/> Form Filed by One Reporting Person           |  |
| (City)                                    | (State) | (Zip)    |  |  | <input type="checkbox"/> 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 at end of Issuer's Fiscal Year (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|--|--|--|
|                                 |                                      |  |                                | (A) or (D) Price  |  |  |  |

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.**

SEC 2270 (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 | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | 8. Price of Derivative Security (Instr. 3) |
|--|------------------------------------|--------------------------------------|--|--------------------------------|-------------------------|--|---|--|
|  |                                    |                                      |  |                                |                         |  |   |  |

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| Derivative Security |         |            |     |     | Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) |   | Date Exercisable | Expiration Date | Title               | Amount or Number of Shares |        |
|---------------------|---------|------------|-----|-----|---|---|------------------|-----------------|---------------------|----------------------------|--------|
|                     | (A)     | (D)        | (A) | (D) |   |   |                  |                 |                     |                            |        |
| Phantom Stock Units | \$ 8.75 | 02/14/2012 | ∅   | J   | 29  | ∅ | ∅ (1)            | ∅ (2)           | Phantom Stock Units | 29                         | \$ 8.7 |

## Reporting Owners

| Reporting Owner Name / Address                               | Relationships |           |         |       |
|--|---------------|-----------|---------|-------|
|  | Director      | 10% Owner | Officer | Other |
| PITTMAN DONALD S<br>227 SYLVAN DRIVE<br>ENTERPRISE, AL 36330 | ∅             | X         | ∅       | ∅     |

## Signatures

Brian R. McLeod,  
Attorney-in-fact

02/14/2012

\_\_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 phantom stock units were awarded under the nonqualified deferred compensation plan in which directors could elect to defer their directors' fees by receiving phantom stock units payable in cash upon separation from service from the board. The plan was frozen on 12/31/2004. These shares were acquired during the fiscal year pursuant to the dividend reinvestment component of the nonqualified deferred compensation plan which was frozen on 12/31/2004.
- (2) Pursuant to a plan adopted by the Board in 2010 to terminate the old phantom stock plan, the remaining balance will be distributed in cash during 2012.

∅

### Remarks:

Pertains to phantom stock plan in which election to defer fees is not a reportable event under Section 409(b).

Note: File three copies of this Form, one of which must be manually signed. If space provided 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.