

DAVIS BROOKLAND F
Form 4
November 26, 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 *
DAVIS BROOKLAND F

2. Issuer Name and Ticker or Trading Symbol
HALLMARK FINANCIAL SERVICES INC [HALL]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
777 MAIN STREET, SUITE 1000
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
11/24/2008

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
EXECUTIVE VICE PRESIDENT

FORT WORTH, TX 76102

(City) (State) (Zip)

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

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) | | | 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 Ownership (Instr. 4) | | |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--------|---|--|-----------------------------------|------------|-----------|
| | | | | Code | V | Amount | | | | (A) or (D) | Price |
| COMMON STOCK | 11/24/2008 | | P | | | 185 | A | \$ 6.1 | 79,439 | D | |
| COMMON STOCK | 11/24/2008 | | P | | | 200 | A | \$ 6.15 | 79,639 | D | |
| COMMON STOCK | 11/25/2008 | | P | | | 200 | A | \$ 6.07 | 79,839 | D | |
| COMMON STOCK | 11/25/2008 | | P | | | 200 | A | \$ 6.1 | 80,039 | D | |
| COMMON STOCK | 11/25/2008 | | P | | | 200 | A | \$ 6 | 1,872 | I | By Spouse |

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| | | | | | | | | |
|--------------|------------|---|-----|---|---------|-------|---|-----------|
| COMMON STOCK | 11/25/2008 | P | 200 | A | \$ 5.95 | 2,072 | I | By Spouse |
| COMMON STOCK | 11/25/2008 | P | 200 | A | \$ 5.9 | 2,272 | I | By Spouse |
| COMMON STOCK | 11/25/2008 | P | 100 | A | \$ 5.8 | 2,372 | I | By Spouse |

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.

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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) | | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--------|----------------------------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| EMPLOYEE STOCK OPTION (RIGHT TO BUY) | \$ 11.46 | | | | | (1) 05/22/2018 | COMMON STOCK | 37,500 | |
| EMPLOYEE STOCK OPTION (RIGHT TO BUY) | \$ 12.52 | | | | | (2) 05/24/2017 | COMMON STOCK | 75,000 | |
| EMPLOYEE STOCK OPTION (RIGHT TO BUY) | \$ 11.34 | | | | | (3) 05/25/2016 | COMMON STOCK | 16,667 | |
| EMPLOYEE STOCK OPTION | \$ 7.14 | | | | | (4) 05/27/2015 | COMMON STOCK | 16,667 | |

(RIGHT TO
BUY)

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|--------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| DAVIS BROOKLAND F 777 MAIN STREET SUITE 1000 FORT WORTH, TX 76102 | | | EXECUTIVE VICE PRESIDENT | |

Signatures

STEVEN D. DAVIDSON AS ATTORNEY-IN-FACT FOR BROOKLAND F.
DAVIS

11/26/2008

____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) 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.
- (2) 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.
- (3) 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.
- (4) 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.