

HALLMARK FINANCIAL SERVICES INC  
 Form 3  
 March 28, 2005

**FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

OMB APPROVAL

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**INITIAL STATEMENT OF 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 *<br>Â Passmore Jeffrey R<br>(Last) (First) (Middle)<br><br>777 MAIN STREET,Â SUITE 1000<br>(Street)<br><br>FORT WORTH,Â TXÂ 76102<br>(City) (State) (Zip) | 2. Date of Event Requiring Statement<br>(Month/Day/Year)<br>03/30/2004 | 3. Issuer Name <b>and</b> Ticker or Trading Symbol<br>HALLMARK FINANCIAL SERVICES INC [HAF.EC] | 4. Relationship of Reporting Person(s) to Issuer<br><br>(Check all applicable)<br><br><input type="checkbox"/> Director <input type="checkbox"/> 10% Owner<br><input checked="" type="checkbox"/> Officer <input type="checkbox"/> Other<br>(give title below) (specify below)<br>CHIEF ACCOUNTING OFFICER | 5. If Amendment, Date Original Filed(Month/Day/Year) | 6. Individual or Joint/Group Filing(Check Applicable Line)<br><input checked="" type="checkbox"/> Form filed by One Reporting Person<br><input type="checkbox"/> Form filed by More than One Reporting Person |
|--|--|--|--|--|---|

**Table I - Non-Derivative Securities Beneficially Owned**

|                                    |  |   |  |
|------------------------------------|--|---|--|
| 1. Title of Security<br>(Instr. 4) | 2. Amount of Securities Beneficially Owned<br>(Instr. 4) | 3. Ownership Form:<br>Direct (D)<br>or Indirect (I)<br>(Instr. 5) | 4. Nature of Indirect Beneficial Ownership<br>(Instr. 5) |
|------------------------------------|--|---|--|

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly. SEC 1473 (7-02)

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**Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

|   |  |   |  |  |  |
|---|--|---|--|--|--|
| 1. Title of Derivative Security<br>(Instr. 4) | 2. Date Exercisable and Expiration Date<br>(Month/Day/Year)<br><br>Date Exercisable      Expiration Date | 3. Title and Amount of Securities Underlying Derivative Security<br>(Instr. 4)<br><br>Title      Amount or Number of Shares | 4. Conversion or Exercise Price of Derivative Security | 5. Ownership Form of Derivative Security:<br>Direct (D)<br>or Indirect (I) | 6. Nature of Indirect Beneficial Ownership<br>(Instr. 5) |
|---|--|---|--|--|--|

(Instr. 5)

|  |       |            |                 |        |         |   |   |
|--|-------|------------|-----------------|--------|---------|---|---|
| EMPLOYEE STOCK<br>OPTION (RIGHT TO<br>BUY) | Â (1) | 03/27/2008 | COMMON<br>STOCK | 10,000 | \$ 0.65 | D | Â |
| EMPLOYEE STOCK<br>OPTION (RIGHT TO<br>BUY) | Â (2) | 01/26/2009 | COMMON<br>STOCK | 25,000 | \$ 0.57 | D | Â |

## Reporting Owners

| Reporting Owner Name / Address  | Relationships |           |                            |       |
|---|---------------|-----------|----------------------------|-------|
|   | Director      | 10% Owner | Officer                    | Other |
| Passmore Jeffrey R<br>777 MAIN STREET<br>SUITE 1000<br>FORT WORTH, TX 76102 | Â             | Â         | Â CHIEF ACCOUNTING OFFICER | Â     |

## Signatures

STEVEN D. DAVIDSON AS ATTORNEY-IN-FACT FOR JEFFREY R.  
PASSMORE

03/28/2005

\_\_Signature of Reporting Person

Date

## Explanation of Responses:

\* If the form is filed by more than one reporting person, *see* Instruction 5(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 options become exercisable as to 40% of the shares on September 27, 2003, and as to an additional 20% of the shares on March 27, 2004, 2005 and 2006.

(2) The options become exercisable as to 10%, 20%, 30% and 40% of the shares on January 26, 2005, 2006, 2007 and 2008, respectively.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *See* Instruction 6 for procedure.

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