

HALLMARK FINANCIAL SERVICES INC
 Form 4
 August 18, 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)
 08/14/2008

____ 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) (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 Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
COMMON STOCK					77,916	D	
COMMON STOCK	08/14/2008		P		172	A	\$ 9
COMMON STOCK	08/15/2008		P		1,000	A	\$ 8.95
COMMON STOCK	08/18/2008		P		500	A	\$ 8.75

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)	Amount or Number of Shares	
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title	
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 (RIGHT TO BUY)	\$ 7.14					(4) 05/27/2015		COMMON STOCK	16,667

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

EXECUTIVE VICE PRESIDENT

DAVIS BROOKLAND F
777 MAIN STREET
SUITE 1000
FORT WORTH, TX 76102

Signatures

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

08/18/2008

__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.