

HALLMARK FINANCIAL SERVICES INC

Form 4

March 20, 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 *
MEYER DONALD E

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)
7411 JOHN SMITH DRIVE, SUITE 1400
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
03/18/2008

____ Director
 Officer (give title below) _____ Other (specify below)
PRESIDENT OF OPERATING UNIT

SAN ANTONIO, TX 78229

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

(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 Beneficial Ownership (Instr. 4)
				(A) or (D)	Price		
				Code	V	Amount	
COMMON STOCK	03/18/2008		P	A	\$ 11.5	8,033 (1)	D
COMMON STOCK	03/18/2008		P	A	\$ 11.134	8,533	D
COMMON STOCK	03/18/2008		P	A	\$ 10.98	9,033	D
COMMON STOCK	03/18/2008		P	A	\$ 10.85	9,233	D
COMMON STOCK	03/18/2008		P	A	\$ 10.75	9,533	D

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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
EMPLOYEE STOCK OPTION (RIGHT TO BUY)	\$ 12.52				(2)	05/24/2017	COMMON STOCK	15,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MEYER DONALD E 7411 JOHN SMITH DRIVE SUITE 1400 SAN ANTONIO, TX 78229			PRESIDENT OF OPERATING UNIT	

Signatures

STEVEN D. DAVIDSON AS ATTORNEY-IN-FACT FOR DONALD E. MEYER
 **Signature of Reporting Person
 03/20/2008
 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) Reflects a one share correction of a rounding error from the one-for-six reverse stock split effected July 31, 2006.
- (2) Represents employee stock options exercisable as to 1,500, 3,000, 4,500 and 6,000 shares on May 24, 2008, 2009, 2010 and 2011, respectively.

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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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