

HALLMARK FINANCIAL SERVICES INC

Form 4

May 29, 2007

FORM 4**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

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

OMB APPROVAL

OMB
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(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**

3. Date of Earliest Transaction
(Month/Day/Year)
05/24/2007

____ Director ____ 10% Owner
☒ Officer (give title below) ____ Other (specify below)
PRESIDENT OF OPERATING UNIT

(Street)
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)
COMMON STOCK				(A) or (D)	3,734	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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information contained in this form are not
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(9-02)

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

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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 Underlying Securities (Instr. 3 and 4)
EMPLOYEE STOCK OPTION (RIGHT TO BUY)	\$ 12.52	05/24/2007		A	15,000	<u>(1)</u> 05/24/2017	COMMON STOCK 15

Reporting Owners

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

Signatures

STEVEN D. DAVIDSON AS ATTORNEY-IN-FACT FOR DONALD E. MEYER 05/29/2007

 **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 1,500, 3,000, 4,500 and 6,000 shares on May 24, 2008, 2009, 2010 and 2011, 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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