

Gifford Craig E
 Form 4
 February 06, 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 *
 Gifford Craig E

2. Issuer Name and Ticker or Trading Symbol
 Guaranty Financial Group Inc.
 [GFG]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
 8333 DOUGLAS AVENUE
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 02/04/2008

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
 Chief Accounting Officer

DALLAS, TX 75225

(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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| Common Stock | 02/04/2008 | 02/04/2008 | F | 66 ⁽¹⁾ | \$ 13.82 | D | |
| Common Stock | | | | | 170 ⁽³⁾ | I | By Trustee of 401(k) Plan |

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

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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) | 8. P... Der... Sec... (Ins... | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|----------------------------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| Common Stock ⁽⁴⁾ <u>(5)</u> | \$ 9.64 | | | | | 02/06/2005 | 02/06/2014 | Common Stock | 533 |
| Common Stock ⁽⁴⁾ <u>(6)</u> | \$ 13 | | | | | 02/04/2006 | 02/04/2015 | Common Stock | 533 |
| Common Stock ⁽⁴⁾ <u>(7)</u> | \$ 17.36 | | | | | 02/03/2007 | 02/03/2016 | Common Stock | 546 |
| Common Stock ⁽⁴⁾ <u>(8)</u> | \$ 19.61 | | | | | 02/02/2008 | 02/02/2017 | Common Stock | 546 |
| Restricted Stock ⁽⁴⁾ <u>(9)</u> | <u>(9)</u> | | | | | <u>(9)</u> | <u>(9)</u> | Common Stock | 210 |
| Restricted Stock ⁽⁴⁾ <u>(10)</u> | <u>(10)</u> | | | | | <u>(10)</u> | <u>(10)</u> | Common Stock | 210 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|--------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Gifford Craig E 8333 DOUGLAS AVENUE DALLAS, TX 75225 | | | Chief Accounting Officer | |

Signatures

Scott A. Almy signed on behalf of Craig E.
Gifford

02/06/2008

__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) Reporting Person surrendered 66 shares in payment of taxes on restricted stock award that vested effective 02/04/2008.
- (2) In accordance with the Rights Agreement adopted by the Company on December 11, 2007, Preferred Stock Purchase Rights are deemed to be attached to the shares of Common Stock.
Reporting Person acquired additional shares through on-going acquisitions under 401(k) plan. By trustee of the Guaranty Financial Group Inc. Savings and Retirement Plan according to the latest report of the Plan Administrator. (Note: Trustee uses unit accounting; therefore, share equivalents may fluctuate slightly from month to month.)
- (3) Shares acquired in a pro rata distribution by Temple-Inland Inc. through a spin-off on or around December 28, 2007.
- (5) Options Vesting Schedule - exercise price \$9.64: Options Exercisable 02/06/2005 - 133; Options Exercisable 02/06/2006 - 133; Options Exercisable 02/06/2007 - 134 and Options Exercisable 02/06/2008 - 133.
- (6) Options Vesting Schedule - exercise price \$13.00: Options Exercisable 02/04/2006 - 133; Options Exercisable 02/04/2007 - 133; Options Exercisable 02/04/2008 - 134 and Options Exercisable 02/04/2009 - 133.
- (7) Options Vesting Schedule - exercise price \$17.36: Options Exercisable 02/03/2007 - 136; Options Exercisable 02/03/2008 - 137; Options Exercisable 02/03/2009 - 137 and Options Exercisable 02/03/2010 - 136.
- (8) Options Vesting Schedule - exercise price \$19.61: Options Exercisable 02/02/2008 - 136; Options Exercisable 02/02/2009 - 137; Options Exercisable 02/02/2010 - 137 and Options Exercisable 02/02/2011 - 136.
- (9) Restricted Shares that will vest effective 02/03/2009. Restricted Shares will be settled for cash based on the fair market value on the vesting date.
- (10) Restricted Shares that will vest effective 02/02/2010. Restricted Shares will be settled for cash based on the fair market value on the vesting date.

Remarks:

Option prices and award amounts updated to reflect spin-off from Temple-Inland Inc. effective 12/28/2007.

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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