

HALLMARK FINANCIAL SERVICES INC

Form 4

April 21, 2014

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

OMB APPROVAL

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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 *
SCHWARZ MARK E2. 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)
**200 CRESCENT COURT, SUITE
1400**3. Date of Earliest Transaction
(Month/Day/Year)
04/17/2014☐ Director ☒ 10% Owner
☒ Officer (give title below) ☐ Other (specify
below) Executive Chairman(Street)
DALLAS, TX 752014. 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)
			Code	V	Amount	(A) or (D)	Price		
Common Stock								130,805	D <u>(1)</u>
Common Stock								949,702	I <u>(4)</u>
									Shares directly owned by NCM Services, Inc. <u>(4)</u>
Common Stock	04/17/2014		P		20,000	A	\$ 8.1 <u>(2)</u>	154,376	I <u>(4)</u>
									Shares directly owned by

Common Stock	04/21/2014	P	18,400	A	\$ 8.11 (3)	172,776	I (4)	Newcastle Capital Management, L.P. (4)
Common Stock						3,730,432	I (4)	Shares directly owned by Newcastle Capital Management, L.P. (4)
								Shares directly owned by Newcastle Partners, L.P. (4)

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

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SEC 1474
(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)	8. Price or Value of Underlying Securities (Instr. 3 and 4)
Director Stock Option (right to buy)	\$ 12.52					(5) 05/24/2017	Common Stock	10,000
Director Stock Option (right to buy)	\$ 11.46					(5) 05/22/2018	Common Stock	5,000

buy)

Director

Stock

Option \$ 6.61

(right to

buy)

(7)

04/01/2019

Common
Stock

200,000

Director

Stock

Option \$ 6.99

(right to

buy)

(5)

12/31/2021

Common
Stock

14,157

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SCHWARZ MARK E 200 CRESCENT COURT SUITE 1400 DALLAS, TX 75201	X	X	Executive Chairman	
Schwarz 2012 Family Trust 200 CRESCENT COURT SUITE 1400 DALLAS, TX 75201		X		
NCM SERVICES, INC. 200 CRESCENT COURT SUITE 1400 DALLAS, TX 75201		X		
NEWCASTLE CAPITAL GROUP LLC 200 CRESCENT COURT SUITE 1400 DALLAS, TX 75201		X		
NEWCASTLE CAPITAL MANAGEMENT LP 200 CRESCENT COURT SUITE 1400 DALLAS, TX 75201		X		
NEWCASTLE PARTNERS L P 200 CRESCENT COURT SUITE 1400 DALLAS, TX 75201		X		

Signatures

Steven D. Davidson as Attorney-In-Fact for all Reporting
Persons

04/21/2014

__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) Shares owned directly by Mr. Schwarz.

Represents the weighted average purchase price of transactions effected at prices ranging from \$8.08 per share to \$8.10 per share. Upon

(2) written request by the SEC, the Issuer or a security holder of the Issuer, the Reporting Person will provide full information regarding the number of shares purchased at each separate price.

Represents the weighted average purchase price of transactions effected at prices ranging from \$8.10 per share to \$8.12 per share. Upon

(3) written request by the SEC, the Issuer or a security holder of the Issuer, the Reporting Person will provide full information regarding the number of shares purchased at each separate price.

Mr. Schwarz is the sole trustee of the Schwarz 2012 Family Trust (the "Trust") and a director and officer of NCM Services, Inc.

("NCMS"). The Trust is the sole shareholder of NCMS, which is the sole member of Newcastle Capital Group, L.L.C. ("NCG"), which is the general partner of Newcastle Capital Management, L.P. ("NCM"), which is the general partner of Newcastle Partners, L.P. ("NP").

(4) Accordingly, Mr. Schwarz may be deemed the beneficial owner of all shares held by any of the Trust, NCMS, NCG, NCM or NP, and each of these entities may be deemed the beneficial owner of all shares held by the entities which they directly or indirectly own or control.

(5) Options are presently fully exercisable.

(6) Options directly owned by Mr. Schwarz.

(7) Options vest in seven equal annual installments commencing April 1, 2010.

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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