

NEWCASTLE PARTNERS L P
Form 4
March 11, 2019

FORM 4

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

OMB APPROVAL

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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 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)
200 CRESCENT COURT, SUITE 1400
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
03/07/2019

Director 10% Owner
 Officer (give title below) Other (specify below)
Executive Chairman

DALLAS, TX 75201

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 or Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|--|
| | | | | Code V Amount (D) Price | | | |
| Common Stock | 03/07/2019 | | F | 128,225 D \$ 10.31 | 2,580 | D ⁽¹⁾ | |
| Common Stock | 03/07/2019 | | M | 200,000 A \$ 6.61 | 202,580 | D ⁽¹⁾ | |
| Common Stock | | | | | 949,702 | I | Shares directly owned by NCM Services, Inc. ⁽²⁾ |

| | | | |
|--------------|-----------|---|--|
| Common Stock | 172,776 | I | Shares directly owned by Newcastle Capital Management, L.P. ⁽²⁾ |
| Common Stock | 3,730,432 | I | Shares directly owned by Newcastle Partners, L.P. ⁽²⁾ |

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) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| | | | | Code | V (A) (D) | Date Exercisable Expiration Date | Title Amount Number of Shares |
| Director Stock Option (right to buy) | \$ 6.61 | 03/07/2019 | | M | 200,000 | ⁽³⁾ 04/01/2019 | Common Stock 200,000 |
| Director Stock Option (right to buy) | \$ 6.99 | | | | | 07/01/2012 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

03/11/2019

__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) Direct ownership by Mr. Schwarz.

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").

(2) 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.

(3) Represents director stock options which 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. 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.