

KASITZ KEVIN  
Form 4  
June 29, 2006

**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 \*  
KASITZ KEVIN

2. Issuer Name and Ticker or Trading Symbol  
HALLMARK FINANCIAL SERVICES INC [HAF]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
777 MAIN STREET, SUITE 1000  
(Street)

3. Date of Earliest Transaction (Month/Day/Year)  
05/25/2006

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
PRESIDENT OF SUBSIDIARY

FORT WORTH, TX 76102

(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				(A) or (D) Code V Amount (D) Price	45,555	D	

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)**

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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 of Underlying Security (Instr. 3 and 4)	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title
EMPLOYEE STOCK OPTION (RIGHT TO BUY)	\$ 1.89	05/25/2006		A	100,000	(1) 05/24/2016	05/24/2016	COMMON STOCK
EMPLOYEE STOCK OPTION (RIGHT TO BUY)	\$ 1.19					(2) 05/26/2010	05/26/2010	COMMON STOCK
EMPLOYEE STOCK OPTION (RIGHT TO BUY)	\$ 0.57					(3) 01/25/2009	01/25/2009	COMMON STOCK
EMPLOYEE STOCK OPTION (RIGHT TO BUY)	\$ 0.65					(4) 03/31/2008	03/31/2008	COMMON STOCK

**Reporting Owners**

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
KASITZ KEVIN 777 MAIN STREET SUITE 1000 FORT WORTH, TX 76102			PRESIDENT OF SUBSIDIARY	

**Signatures**

STEVEN D. DAVIDSON AS ATTORNEY-IN-FACT FOR KEVIN KASITZ  
 \*\*Signature of Reporting Person  
 06/29/2006  
 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 10,000, 20,000, 30,000 and 40,000 shares on May 25, 2007, 2008, 2009 and 2010, respectively.
- (2) Represents employee stock options exercisable as to 10,000, 20,000, 30,000 and 40,000 shares on May 27, 2006, 2007, 2008 and 2009, respectively.
- (3) Represents employee stock options exercisable as to 10,000, 20,000, 30,000 and 40,000 shares on January 26, 2005, 2006, 2007 and 2008, respectively.
- (4) Represents employee stock options exercisable as to 5,000 shares on each of April 1, 2005 and 2006.

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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