

Guaranty Financial Group Inc.
 Form 4
 February 28, 2008

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 *
JASTROW KENNETH M II

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)
02/26/2008

Director 10% Owner
 Officer (give title below) Other (specify below)
Chairman of the Board

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 Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| Common Stock | 02/26/2008 | 02/26/2008 | A | (A) or (D) 4,758 (1) D | \$ 0 123,971 (1) (2) | D | |
| Common Stock | | | | | 3,795 | 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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SEC 1474 (9-02)

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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. F. Der. Sec. (Instr. 3) | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|----------------------------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| Option (right to buy) <u>(3)</u> <u>(4)</u> | \$ 10.81 | | | | | 05/01/2000 | 05/01/2008 | Common Stock | 24,896 |
| Option (right to buy) <u>(3)</u> <u>(5)</u> | \$ 13.27 | | | | | 05/07/2001 | 05/07/2009 | Common Stock | 32,000 |
| Option (right to buy) <u>(3)</u> <u>(6)</u> | \$ 8.5 | | | | | 02/04/2002 | 02/04/2010 | Common Stock | 66,666 |
| Option (right to buy) <u>(3)</u> <u>(7)</u> | \$ 7.55 | | | | | 02/02/2002 | 02/02/2011 | Common Stock | 66,666 |
| Option (right to buy) <u>(3)</u> <u>(8)</u> | \$ 8.51 | | | | | 02/01/2003 | 02/01/2012 | Common Stock | 33,333 |
| Option (right to buy) <u>(3)</u> <u>(9)</u> | \$ 5.57 | | | | | 02/07/2004 | 02/07/2013 | Common Stock | 36,666 |
| Option (right to buy) <u>(3)</u> <u>(10)</u> | \$ 9.64 | | | | | 02/06/2005 | 02/06/2014 | Common Stock | 33,333 |
| Option (right to buy) <u>(3)</u> <u>(11)</u> | \$ 13 | | | | | 02/04/2006 | 02/04/2015 | Common Stock | 33,333 |
| Option (right to buy) <u>(3)</u> <u>(12)</u> | \$ 17.36 | | | | | 02/03/2007 | 02/03/2016 | Common Stock | 34,166 |
| Restricted Stock Units <u>(3)</u> | <u>(13)</u> | | | | | <u>(13)</u> | <u>(13)</u> | Common Stock | 41,666 |

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- (11) Options Vesting Schedule - exercise price \$13.00: Options Exercisable 02/04/2006 - 8,333; Options Exercisable 02/04/2007 - 8,333; Options Exercisable 02/04/2008 - 8,334 and Options Exercisable 02/04/2009 - 8,333.
- (12) Options Vesting Schedule - exercise price \$17.36: Options Exercisable 02/03/2007 - 8,541; Options Exercisable 02/03/2008 - 8,542; Options Exercisable 02/03/2009 - 8,542 and Options Exercisable 02/03/2010 - 8,541.
- (13) Restricted Stock Units that will vest effective February 3, 2009. Restricted Shares will be settled for cash based on the fair market value on the vesting date subject to a 1% ROI performance criteria.
- (14) Restricted Stock Units that will vest effective February 2, 2010. Restricted Shares will be settled for cash based on the fair market value on the vesting date subject to a 1% ROI performance criteria.
- (15) Phantom shares accrued under a Temple-Inland Inc. plan, which includes a dividend reinvestment feature, to be settled upon Reporting Person's retirement or other specified date.

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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