

HALLMARK FINANCIAL SERVICES INC

Form 4

March 28, 2005

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

OMB APPROVAL

OMB
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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 *
DAVIS BROOKLAND F2. Issuer Name and Ticker or Trading
Symbol
HALLMARK FINANCIAL
SERVICES INC [HAF.EC]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)
03/28/2005____ Director ____ 10% Owner
____ Officer (give title below) ____ Other (specify below)
PRESIDENT OF SUBSIDIARY

FORT WORTH, TX 76102

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 Beneficial Ownership (Instr. 4)
COMMON STOCK	03/28/2005		M	V Amount (A) or (D) Price 5,000 A \$ 0.65	146,620	D	

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

**Persons who respond to the collection of
information contained in this form are not
required to respond unless the form
displays a currently valid OMB control
number.**SEC 1474
(9-02)**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 Securities (Instr. 3 and 4)	Amount or Number of Shares
EMPLOYEE STOCK OPTION (RIGHT TO BUY)	\$ 0.65	03/28/2005		M	5,000	<u>(1)</u> 03/27/2008	COMMON STOCK	5,000
EMPLOYEE STOCK OPTION (RIGHT TO BUY)	\$ 0.57					<u>(2)</u> 01/26/2009	COMMON STOCK	90,000

Reporting Owners

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

Signatures

STEVEN D. DAVIDSON AS ATTORNEY-IN-FACT FOR BROOKLAND F.
DAVIS

03/28/2005

 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) Represents employee stock options exercisable as to 10,000 shares on September 27, 2003, and as to an additional 5,000 shares on each of March 27, 2004, 2005 and 2006.

(2) 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.

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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