

Anand Naveen
 Form 4
 March 06, 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 *
 Anand Naveen

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)
 777 MAIN STREET, SUITE 1000
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 09/24/2018

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
 President & CEO

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	70,900	D	

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)

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100%; (e) NCR of 94% earns 110%; (f) NCR of 93% earns 120%; (g) NCR of 92% earns 130%; (h) NCR of 91% earns 140%; and (i) NCR less than 90% earns 150%.

- (3) Each restricted stock unit represents the right to receive shares of common stock upon satisfaction of vesting requirements and performance criteria. The performance criteria for one-half of the restricted stock units are based on the compound average annual growth rate ("CAAGR") in book value per share from January 1, 2017 to December 31, 2019, and earn a percentage of a share of common stock per restricted stock unit, as follows: (i) CAAGR less than 7% earns 0%; (ii) 7% CAAGR earns 50%; (iii) 8% CAAGR earns 67%; (iv) 9% CAAGR earns 83%; (v) 10% CAAGR earns 100%; (vi) 11% CAAGR earns 117% shares; (vii) 12% CAAGR earns 133%; and (viii) 13% or greater CAAGR earns 150%.

- (4) Each restricted stock unit represents the right to receive shares of common stock upon satisfaction of vesting requirements and performance criteria. The performance criteria for one-half of the restricted stock units are based on the net combined ratio ("NCR") for the three year period from January 1, 2017 to December 31, 2019, and earn a percentage of a share of common stock per restricted stock unit, as follows: (a) NCR greater than 96% earns 0%; (b) NCR of 95% earns 50%; (c) NCR of 94% earns 60%; (d) NCR of 93% earns 80%; (e) NCR of 92% earns 100%; (f) NCR of 90% earns 110%; (g) NCR of 89% earns 120%; (h) NCR of 88% earns 135%; and (i) NCR less than 87% earns 150%.

- (5) Each restricted stock unit represents the right to receive shares of common stock upon satisfaction of vesting requirements and performance criteria. The performance criteria for one-half of the restricted stock units are based on the compound average annual growth rate ("CAAGR") in book value per share from January 1, 2016 to December 31, 2018, and earn a percentage of a share of common stock per restricted stock unit, as follows: (i) CAAGR less than 7% earns 0%; (ii) 7% CAAGR earns 50%; (iii) 8% CAAGR earns 67%; (iv) 9% CAAGR earns 83%; (v) 10% CAAGR earns 100%; (vi) 11% CAAGR earns 117% shares; (vii) 12% CAAGR earns 133%; and (viii) 13% or greater CAAGR earns 150%.

- (6) Each restricted stock unit represents the right to receive shares of common stock upon satisfaction of vesting requirements and performance criteria. The performance criteria for one-half of the restricted stock units are based on the net combined ratio ("NCR") for the three year period from January 1, 2016 to December 31, 2018, and earn a percentage of a share of common stock per restricted stock unit, as follows: (a) NCR greater than 96% earns 0%; (b) NCR of 95% earns 50%; (c) NCR of 94% earns 60%; (d) NCR of 93% earns 80%; (e) NCR of 92% earns 100%; (f) NCR of 90% earns 110%; (g) NCR of 89% earns 120%; (h) NCR of 88% earns 135%; and (i) NCR less than 87% earns 150%.

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.