

HALLMARK FINANCIAL SERVICES INC  
Form SC 13D/A  
April 09, 2009

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SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

SCHEDULE 13D

INFORMATION TO BE INCLUDED IN STATEMENTS FILED  
PURSUANT TO RULE 13d-1(a) AND AMENDMENTS  
THERE TO FILED PURSUANT TO RULE 13d-2(a)

(Amendment No. 10)1

HALLMARK FINANCIAL SERVICES, INC.

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(Name of issuer)

SHARES OF COMMON STOCK, PAR VALUE \$0.18 PER SHARE

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(Title of class of securities)

40624Q104

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(CUSIP number)

STEVEN WOLOSKY, ESQ.  
OLSHAN GRUNDMAN FROME ROSENZWEIG & WOLOSKY LLP  
Park Avenue Tower  
65 East 55th Street  
New York, New York 10022  
(212) 451-2300

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(Name, address and telephone number of person  
authorized to receive notices and communications)

April 7, 2009

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(Date of event which requires filing of this statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), 13d-1(f) or 13d-1(g), check the following box / /

Note. Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 13d-7 for other parties to whom copies are to be sent.

(Continued on following pages)

(Page 1 of 16 Pages)

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1 The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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CUSIP No. 40624Q104

- 1 NAME OF REPORTING PERSONS  
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)
- NEWCASTLE PARTNERS, L.P.
- 2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\*  
(a)   
(b)
- 3 SEC USE ONLY
- 4 SOURCE OF FUNDS\*  
WC
- 5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO  
ITEM 2(d) OR 2(e)
- 6 CITIZENSHIP OR PLACE OF ORGANIZATION

	TEXAS	
NUMBER OF	7	SOLE VOTING POWER
SHARES		
BENEFICIALLY		5,901,615
OWNED BY	8	SHARED VOTING POWER
EACH		
REPORTING		0
PERSON WITH	9	SOLE DISPOSITIVE POWER
	10	5,901,615
		SHARED DISPOSITIVE POWER
		0

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

5,901,615

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES  
CERTAIN SHARES\*

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

28.3%

14 TYPE OF REPORTING PERSON\*

PN

\*SEE INSTRUCTIONS BEFORE FILLING OUT!

CUSIP No. 40624Q104

- 1 NAME OF REPORTING PERSONS  
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)
- 2 NEWCASTLE SPECIAL OPPORTUNITY FUND I, L.P.  
CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\*  
(a)   
(b)
- 3 SEC USE ONLY
- 4 SOURCE OF FUNDS\*  
WC
- 5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO  
ITEM 2(d) OR 2(e)
- 6 CITIZENSHIP OR PLACE OF ORGANIZATION

	DELAWARE	
NUMBER OF SHARES	7	SOLE VOTING POWER
BENEFICIALLY OWNED BY	8	1,643,965 SHARED VOTING POWER
EACH REPORTING PERSON WITH	9	0 SOLE DISPOSITIVE POWER
	10	1,643,965 SHARED DISPOSITIVE POWER

- 11 0  
AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

- 12 1,643,965  
CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES  
CERTAIN SHARES\*

- 13   
PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

- 14 7.9%  
TYPE OF REPORTING PERSON\*

PN

\*SEE INSTRUCTIONS BEFORE FILLING OUT!

CUSIP No. 40624Q104

- 1 NAME OF REPORTING PERSONS  
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)
- 2 NEWCASTLE SPECIAL OPPORTUNITY FUND II, L.P.  
CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\*  
(a)   
(b)
- 3 SEC USE ONLY
- 4 SOURCE OF FUNDS\*  
WC
- 5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO  
ITEM 2(d) OR 2(e)
- 6 CITIZENSHIP OR PLACE OF ORGANIZATION

	DELAWARE	
NUMBER OF	7	SOLE VOTING POWER
SHARES		
BENEFICIALLY		1,630,865
OWNED BY	8	SHARED VOTING POWER
EACH		
REPORTING		0
PERSON WITH	9	SOLE DISPOSITIVE POWER
	10	1,630,865
		SHARED DISPOSITIVE POWER
		0
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON	
		1,630,865
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*	
		<input type="radio"/>
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)	
		7.8%
14	TYPE OF REPORTING PERSON*	
		PN

\*SEE INSTRUCTIONS BEFORE FILLING OUT!

CUSIP No. 40624Q104

1 NAME OF REPORTING PERSONS  
 I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

NEWCASTLE CAPITAL MANAGEMENT, L.P.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\*  
 (a)   
 (b)

3 SEC USE ONLY

4 SOURCE OF FUNDS\*  
 OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO  
 ITEM 2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

TEXAS

NUMBER OF	7	SOLE VOTING POWER
SHARES		
BENEFICIALLY	10,693,996	
OWNED BY	8	SHARED VOTING POWER
EACH		
REPORTING	0	
PERSON WITH	9	SOLE DISPOSITIVE POWER
	10,693,996	
	10	SHARED DISPOSITIVE POWER
	0	

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

10,693,996

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES  
 CERTAIN SHARES\*

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

51.3%

14 TYPE OF REPORTING PERSON\*

PN

\*SEE INSTRUCTIONS BEFORE FILLING OUT!

CUSIP No. 40624Q104

- 1 NAME OF REPORTING PERSONS  
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)
- NEWCASTLE CAPITAL GROUP, L.L.C.
- 2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\*  
(a)   
(b)
- 3 SEC USE ONLY
- 4 SOURCE OF FUNDS\*  
OO
- 5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO  
ITEM 2(d) OR 2(e)
- 6 CITIZENSHIP OR PLACE OF ORGANIZATION

	TEXAS	
NUMBER OF	7	SOLE VOTING POWER
SHARES		
BENEFICIALLY		10,693,996
OWNED BY	8	SHARED VOTING POWER
EACH		
REPORTING		0
PERSON WITH	9	SOLE DISPOSITIVE POWER
	10	10,693,996
		SHARED DISPOSITIVE POWER
		0

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

10,693,996

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES  
CERTAIN SHARES\*

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

51.3%

14 TYPE OF REPORTING PERSON\*

OO

\*SEE INSTRUCTIONS BEFORE FILLING OUT!

CUSIP No. 40624Q104

- 1 NAME OF REPORTING PERSONS  
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)
- MARK E. SCHWARZ
- 2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\*  
(a)   
(b)
- 3 SEC USE ONLY
- 4 SOURCE OF FUNDS\*  
OO, PF
- 5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO  
ITEM 2(d) OR 2(e)
- 6 CITIZENSHIP OR PLACE OF ORGANIZATION

	USA	
NUMBER OF	7	SOLE VOTING POWER
SHARES		
BENEFICIALLY		10,835,968
OWNED BY	8	SHARED VOTING POWER
EACH		
REPORTING		0
PERSON WITH	9	SOLE DISPOSITIVE POWER
	10	10,835,968
		SHARED DISPOSITIVE POWER
		0

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

10,835,968

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES  
CERTAIN SHARES\*

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

51.9%

14 TYPE OF REPORTING PERSON\*

IN

\*SEE INSTRUCTIONS BEFORE FILLING OUT!



CUSIP No. 40624Q104