

Guaranty Financial Group Inc.  
Form 4  
May 29, 2008

**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 \*  
Faulkner Larry R

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)

3. Date of Earliest Transaction (Month/Day/Year)  
05/27/2008

Director  10% Owner  
 Officer (give title below)  Other (specify below)

8333 DOUGLAS AVENUE

(Street)

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

DALLAS, TX 75225

(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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
|                                 |                                      |  |                                | (A) or (D)  | Price   |  |                                   |
| Common Stock                    | 05/27/2008                           | 05/27/2008   | A                              | V   | 7,713<br>(1)  | A  | \$ 0 14,488 (2) (3) 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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| 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. Price or Value of Underlying Securities (Instr. 3 and 4) |                            |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|---|----------------------------|
|  |  |                                      |  |                                |   | Date Exercisable   | Expiration Date   | Title   | Amount or Number of Shares |
|  |  |                                      |  |                                |   | Code   | V   | (A)   | (D)                        |
| Option (right to buy) <u>(4)</u><br><u>(5)</u> | \$ 14.15   |                                      |  |                                |   | 08/05/2005   | 08/05/2015  | Common Stock  | 6,666                      |
| Phantom Stock <u>(5)</u><br><u>(6)</u>         | <u>(6)</u>   |                                      |  |                                |   | <u>(6)</u>   | <u>(6)</u>  | Common Stock  | 5,991                      |

## Reporting Owners

| Reporting Owner Name / Address                              | Relationships |           |         |       |
|---|---------------|-----------|---------|-------|
|   | Director      | 10% Owner | Officer | Other |
| Faulkner Larry R<br>8333 DOUGLAS AVENUE<br>DALLAS, TX 75225 | X             |           |         |       |

## Signatures

Scott A. Almy signed on behalf of Larry R. Faulkner 05/29/2008

\_\_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) Restricted Stock Units ("RSU") accrued under a Guaranty Financial Group Inc. plan, which includes a dividend reinvestment feature, and are vested on the date of grant. Each RSU is the economic equivalent of one share of common stock and is payable in stock upon Reporting Person's retirement or termination of service as a director.
  - (2) 66 shares of common stock held in an IRA Account.
  - (3) In accordance with the Rights Agreement adopted by the Company on December 11, 2007, Preferred Stock Purchase Rights are deemed to be attached to the shares of Common Stock.
  - (4) Options Vesting Schedule - exercise price \$14.15: Options Exercisable 08/05/2006 - 2,666; Options Exercisable 08/05/2007 - 2,667; Options Exercisable 08/05/2008 - 1,333.
  - (5) Shares acquired in a pro rata distribution by Temple-Inland Inc. through a spin-off on or around December 28, 2007.

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- (6) Phantom shares accrued under a Temple-Inland Inc. Director Fee Deferral Plan, which includes a dividend reinvestment feature, to be settled upon Reporting Person's retirement.

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.