

MURDOCK MICHEY L

Form 5

February 16, 2010

FORM 5**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549Check this box if
no longer subject
to Section 16.Form 4 or Form
5 obligations
may continue.See Instruction
1(b).Form 3 Holdings
Reported

Form 4

Transactions

Reported

**ANNUAL 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

OMB APPROVAL

OMB
Number: 3235-0362Expires: January 31,
2005Estimated average
burden hours per
response... 1.01. Name and Address of Reporting Person *
MURDOCK MICHEY L2. Issuer Name and Ticker or Trading
Symbol
NATIONAL SECURITY GROUP
INC [NSEC]5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Statement for Issuer's Fiscal Year Ended
(Month/Day/Year)
12/31/2009☒ Director ☐ 10% Owner
☐ Officer (give title below) ☐ Other (specify below)

661 EAST DAVIS

(Street)

4. If Amendment, Date Original
Filed(Month/Day/Year)

6. Individual or Joint/Group Reporting

(check applicable line)

ELBA, AL 36323

☒ 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 at end of Issuer's Fiscal Year (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
Common Stock	Â	Â	Â	Â Â Â Â	1,442	D	Â
Common Stock	Â	Â	Â	Â Â Â Â	21,843	I	By 401-K Plan

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 2270
(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. Derivative Securities (Instr. 3 and 4)
Phantom Stock Units	\$ 11.1	02/15/2010	Â	J	1,529 Â	Â (1) Â (2)	Phantom Stock Units	1,529 \$

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MURDOCK MICHEY L 661 EAST DAVIS ELBA,Â ALÂ 36323	Â X	Â	Â	Â

Signatures

Brian R. McLeod,
Attorney-in-fact 02/16/2010

__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) The phantom stock units were awarded under the nonqualified deferred compensation plan in which directors could elect to defer their directors fees by receiving phantom stock units payable in cash upon separation from service from the board. The plan was frozen on 12/31/2004. These shares were acquired during the fiscal year pursuant to the dividend reinvestment component of the nonqualified deferred compensation plan which was frozen 12/31/2004.

(2) Upon separation from service from the Board, phantom stock units will be settled in cash at the then current market price of common stock.

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Remarks:

PertainsÂ toÂ phantomÂ stockÂ planÂ inÂ whichÂ electionÂ toÂ deferÂ feesÂ isÂ notÂ aÂ reportableÂ eventÂ underÂ Se
Â acquisitionsÂ ofÂ phantomÂ stockÂ pursuantÂ toÂ theÂ electionÂ areÂ reportable.Â Â TheseÂ deferralsÂ areÂ exemptÂ
Â ofÂ SectionÂ 16b-3(d).

Note: File three copies of this Form, one of which must be manually signed. If space provided 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.