

HALLMARK FINANCIAL SERVICES INC
 Form 3
 April 08, 2009

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0104
 Expires: January 31, 2005
 Estimated average burden hours per response... 0.5

INITIAL STATEMENT OF 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 * | | 2. Date of Event Requiring Statement | 3. Issuer Name and Ticker or Trading Symbol | |
| DSC Services, Inc. | | (Month/Day/Year) | HALLMARK FINANCIAL SERVICES INC [HALL] | |
| (Last) | (First) | (Middle) | 03/31/2009 | |
| 200 CRESCENT COURT, SUITE 1400 | | | 4. Relationship of Reporting Person(s) to Issuer | 5. If Amendment, Date Original Filed(Month/Day/Year) |
| (Street) | | | (Check all applicable) | |
| DALLAS, TX 75201 | | | <input type="checkbox"/> Director <input type="checkbox"/> 10% Owner | 6. Individual or Joint/Group Filing(Check Applicable Line) |
| (City) | (State) | (Zip) | <input type="checkbox"/> Officer <input checked="" type="checkbox"/> Other | <input checked="" type="checkbox"/> Form filed by One Reporting Person |
| | | | See Explanation | <input type="checkbox"/> Form filed by More than One Reporting Person |

Table I - Non-Derivative Securities Beneficially Owned

| 1. Title of Security (Instr. 4) | 2. Amount of Securities Beneficially Owned (Instr. 4) | 3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5) | 4. Nature of Indirect Beneficial Ownership (Instr. 5) |
|------------------------------------------|-------------------------------------------------------|----------------------------------------------------------|-------------------------------------------------------|
| Common Stock, \$.001 par value per share | 71,279 | I (1) (2) | See Explanation |

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

SEC 1473 (7-02)

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.

Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 4) | 2. Date Exercisable and Expiration Date (Month/Day/Year) | 3. Title and Amount of Securities Underlying Derivative Security (Instr. 4) | 4. Conversion or Exercise Price of Derivative Security | 5. Ownership Form of Derivative Security: Direct (D) | 6. Nature of Indirect Beneficial Ownership (Instr. 5) |
|--------------------------------------------|----------------------------------------------------------|-----------------------------------------------------------------------------|--------------------------------------------------------|------------------------------------------------------|-------------------------------------------------------|
| | | Title | | | |

| | | | |
|---------------------|--------------------|----------------------------------|----------------------------------|
| Date Exercisable | Expiration Date | Amount or Number of Shares | or Indirect (I) (Instr. 5) |
|---------------------|--------------------|----------------------------------|----------------------------------|

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|----------------------------------------------------------------------------|---------------|-----------|---------|-----------------|
| | Director | 10% Owner | Officer | Other |
| DSC Services, Inc. 200 CRESCENT COURT SUITE 1400 DALLAS, TX 75201 | Â | Â | Â | See Explanation |

Signatures

/s/ Mark E.
Schwarz

04/08/2009

__Signature of
Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 5(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).

The Reporting Person holds no shares directly. As parent company of Detroit Stoker Company ("Detroit Stoker"), the Reporting Person may be deemed to beneficially own 71,279 shares of the Issuer's Common Stock held by Detroit Stoker. The Reporting Person is also a member of a "group" for purposes of Section 13(d)(3) of the Securities Exchange Act of 1934, as amended and accordingly may be

- (1) deemed to beneficially own Shares of the Issuer's Common Stock owned in the aggregate by the other members of the Section 13(d) group. The Group consists of Newcastle Partners, L.P., Newcastle Capital Management, L.P., Newcastle Capital Group, L.L.C., Newcastle Special Opportunity Fund I, L.P., Newcastle Special Opportunity Fund II, L.P., Newcastle Focus Fund II, L.P., Mark Schwarz, Detroit Stoker and the Reporting Person.
- (2) Continuation of Footnote 1: The Reporting Person disclaims beneficial ownership of the shares of the Issuer's Common stock owned by the other members of the Section 13(d) group except to the extent of its pecuniary interest therein.

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.