

Guaranty Financial Group Inc.  
Form 4  
January 15, 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 \*  
JASTROW KENNETH M II

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)  
8333 DOUGLAS AVENUE  
(Street)

3. Date of Earliest Transaction (Month/Day/Year)  
01/11/2008

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
Chairman of the Board

DALLAS, TX 75225

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

(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 Indirect Ownership (Instr. 4)
			Code	V Amount (A) or (D) Price			
Common Stock	01/11/2008	01/11/2008	M	22,766 (1) A \$ 12.15	130,728	D	
Common Stock	01/11/2008	01/11/2008	J	5,603 (1) D \$ 12.15	125,125	D	
Common Stock	01/11/2008	01/11/2008	F	7,756 (2) D \$ 12.15	117,369 (3)	D	
Common Stock					3,795 (4)	I	By Trustee of 401(k) Plan

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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)

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)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount or Number of Shares
Option (right to buy) <u>(5)</u> <u>(6)</u>	\$ 8.55					02/06/2000 02/06/2008	Common Stock 9,333
Option (right to buy) <u>(6)</u> <u>(7)</u>	\$ 10.81					05/01/2000 05/01/2008	Common Stock 24,896
Option (right to buy) <u>(6)</u> <u>(8)</u>	\$ 13.27					05/07/2001 05/07/2009	Common Stock 32,000
Option (right to buy) <u>(6)</u> <u>(9)</u>	\$ 8.5					02/04/2002 02/04/2010	Common Stock 66,666
Option (right to buy) <u>(6)</u> <u>(10)</u>	\$ 7.55					02/02/2002 02/02/2011	Common Stock 66,666
Option (right to buy) <u>(6)</u> <u>(11)</u>	\$ 8.51					02/01/2003 02/01/2012	Common Stock 33,333
Option (right to buy) <u>(6)</u> <u>(12)</u>	\$ 5.57					02/07/2004 02/07/2013	Common Stock 36,666
Option (right to buy) <u>(6)</u> <u>(13)</u>	\$ 9.64					02/06/2005 02/06/2014	Common Stock 33,333
Option (right to buy) <u>(6)</u> <u>(14)</u>	\$ 13					02/04/2006 02/04/2015	Common Stock 33,333

Option (right to buy) <u>(6)</u> <u>(15)</u>	\$ 17.36					02/03/2007	02/03/2016	Common Stock	34,166
Restricted Stock <u>(6)</u> <u>(16)</u>	<u>(16)</u>					<u>(16)</u>	<u>(16)</u>	Common Stock	41,666
Restricted Stock <u>(6)</u> <u>(17)</u>	<u>(17)</u>					<u>(17)</u>	<u>(17)</u>	Common Stock	50,000
Phantom Stock <u>(1)</u> <u>(6)</u>	<u>(1)</u>	01/11/2008	01/11/2008	M	22,766 <u>(1)</u>	<u>(1)</u>	<u>(1)</u>	Common Stock	37,323

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
JASTROW KENNETH M II 8333 DOUGLAS AVENUE DALLAS, TX 75225	X			Chairman of the Board

## Signatures

Scott A. Almy signed on behalf of Kenneth M. Jastrow, II. 01/15/2008

  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) Distribution and settlement of a portion of phantom shares due to retirement from Temple-Inland Inc.; includes phantom shares from deferred bonuses and restricted shares related to retirement ageement. Settlement is payable in cash and stock: 5,603 shares payable in cash and 17,163 shares payable in stock. Phantom shares accrued under a Temple-Inland Inc. plan, which includes a dividend reinvestment feature, to be settled upon Reporting Person's retirement.
  - (2) 1,499 shares withheld for tax purposes on deferred restricted stock and 6,257 shares withheld for tax purposes on deferred phantom stock distributed to Reporting Person upon retirement from Temple-Inland Inc.
  - (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) Reporting Person acquired additional shares through on-going acquisitions under 401(k) plan. By trustee of the Temple-Inland Salaried Savings Plan according to the latest report of the Plan Administrator. (Note: Trustee uses unit accounting; therefore, share equivalents may fluctuate slightly from month to month.)
  - (5) Options Vesting Schedule for Options Granted 02/06/1998 - exercise price \$8.55: Options Exercisable 02/06/2000 - 1,400; Options Exercisable 02/06/2001 - 1,400; Options Exercisable 02/06/2002 - 1,400;Options Exercisable 02/06/2003 - 1,400; and Options Exercisable 02/06/2004 - 3,733.
  - (6) Shares acquired in a pro rata distribution by Temple-Inland Inc. through a spin-off on or around December 28, 2007.
  - (7) Options Vesting Schedule for Options Granted 05/01/1998 - exercise price \$10.81: Options Exercisable 05/01/2000 - 5,000; Options Exercisable 05/01/2001 - 5,000; Options Exercisable 05/01/2002 - 5,000; Options Exercisable 05/01/2003 - 5,000; and Options Exercisable 05/01/2004 - 4,896.

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- (8) Options Vesting Schedule for Options Granted 05/07/1999 - exercise price \$13.27: Options Exercisable 05/07/2001 - 4,800; Options Exercisable 05/07/2002 - 4,800; Options Exercisable 05/07/2003 - 4,800; Options Exercisable 05/07/2004 - 4,800; and Options Exercisable 05/07/2005 - 12,800.
- (9) Options Vesting Schedule for Options Granted 02/04/2000 - exercise price \$8.50: Options Exercisable 02/04/2002 - 10,000; Options Exercisable 02/04/2003 - 10,000; Options Exercisable 02/04/2004 - 10,000; Options Exercisable 02/04/2005 - 10,000; and Options Exercisable 02/04/2006 - 26,666.
- (10) Options Vesting Schedule for Options Granted 02/02/2001 - exercise price \$7.55: Options Exercisable 02/04/2002 - 16,666; Options Exercisable 02/04/2003 - 16,667; Options Exercisable 02/04/2004 - 16,666; Options Exercisable 02/04/2005 - 16,667.
- (11) Options Vesting Schedule for Options Granted 02/01/2002 - exercise price \$8.51: Options Exercisable 02/01/2003 - 8,333; Options Exercisable 02/01/2004 - 8,333; Options Exercisable 02/01/2005 - 8,333 and Options Exercisable 02/01/2006 - 8,334.
- (12) Options Vesting Schedule for Options Granted 02/07/2003 - exercise price \$5.57: Options Exercisable 02/07/2004 - 9,166; Options Exercisable 02/07/2005 - 9,166; Options Exercisable 02/07/2006 - 9,166; and Options Exercisable 02/07/2005 - 9,166.
- (13) Options Vesting Schedule for Options Granted 02/06/2004 - exercise price \$9.64: Options Exercisable 02/06/2005 - 8,333; Options Exercisable 02/06/2006 - 8,333; Options Exercisable 02/06/2007 - 8,333 and Options Exercisable 02/06/2008 - 8,334. Award amount is 33,333; was inadvertently reported as 16,666 due to spin-off conversion calculation error on previous Form 4 dated December 18, 2007.
- (14) Options Vesting Schedule for Options Granted 02/04/2005 - exercise price \$13.00: Options Exercisable 02/04/2006 - 8,333; Options Exercisable 02/04/2007 - 8,333; Options Exercisable 02/04/2008 - 8,334 and Options Exercisable 02/04/2009 - 8,333.
- (15) Options Vesting Schedule for Options Granted 02/03/2006 - exercise price \$17.36: Options Exercisable 02/03/2007 - 8,541; Options Exercisable 02/03/2008 - 8,542; Options Exercisable 02/03/2009 - 8,542 and Options Exercisable 02/03/2010 - 8,541.
- (16) Restricted Shares granted on August 9, 2007 that will vest effective February 3, 2009. Restricted Shares will be settled for cash based on the fair market value on the vesting date subject to a 1% ROI performance criteria.
- (17) Restricted Shares granted on August 9, 2007 that will vest effective February 2, 2010. Restricted Shares will be settled for cash based on the fair market value on the vesting date subject to a 1% ROI performance criteria.

### Remarks:

Option prices and award amounts updated to reflect spin-off from Temple-Inland Inc. effective 12/28/2007.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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