

Guaranty Financial Group Inc.  
Form 4  
December 18, 2007

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
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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)  
12/14/2007

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 Ownership (Instr. 4)
			Code	V	Amount or Price		
Common Stock	12/14/2007	12/14/2007	J		107,962 <sup>(1)</sup>	A	\$ 0 107,962 <sup>(2)</sup> D
Common Stock	12/14/2007	12/14/2007	J		2,835 <sup>(1)</sup>	A	\$ 0 2,835 <sup>(3)</sup> I

By Trustee of 401(k) Plan

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

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SEC 1474 (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)	
						Date Exercisable	Expiration Date	Title	Amount or Number of Shares
				Code	V (A) (D)				
Option (right to buy) <u>(4)</u> <u>(5)</u>	\$ 18.14	12/14/2007	12/14/2007	J	9,333	02/06/2000	02/06/2008	Common Stock	9,333
Option (right to buy) <u>(4)</u> <u>(6)</u>	\$ 22.86	12/14/2007	12/14/2007	J	24,896	05/01/2000	05/01/2008	Common Stock	24,896
Option (right to buy) <u>(4)</u> <u>(7)</u>	\$ 28.03	12/14/2007	12/14/2007	J	32,000	05/07/2001	05/07/2009	Common Stock	32,000
Option (right to buy) <u>(4)</u> <u>(8)</u>	\$ 18.03	12/14/2007	12/14/2007	J	66,666	02/04/2002	02/04/2010	Common Stock	66,666
Option (right to buy) <u>(4)</u> <u>(9)</u>	\$ 16.04	12/14/2007	12/14/2007	J	66,664	02/02/2002	02/02/2011	Common Stock	66,664
Option (right to buy) <u>(4)</u> <u>(10)</u>	\$ 18.05	12/14/2007	12/14/2007	J	33,332	02/01/2003	02/01/2012	Common Stock	33,332
Option (right to buy) <u>(4)</u> <u>(11)</u>	\$ 11.9	12/14/2007	12/14/2007	J	36,664	02/07/2004	02/07/2013	Common Stock	36,664
Option (right to buy) <u>(4)</u> <u>(12)</u>	\$ 20.41	12/14/2007	12/14/2007	J	16,666	02/06/2005	02/06/2014	Common Stock	16,666
Option (right to buy) <u>(4)</u> <u>(13)</u>	\$ 27.46	12/14/2007	12/14/2007	J	33,332	02/04/2006	02/04/2015	Common Stock	33,332
Option (right to buy) <u>(4)</u> <u>(14)</u>	\$ 36.59	12/14/2007	12/14/2007	J	34,164	02/03/2007	02/03/2016	Common Stock	34,164
Restricted Stock <u>(1)</u>	<u>(15)</u>	12/14/2007	12/14/2007	J	41,666	<u>(15)</u>	<u>(15)</u>	Common Stock	41,666

(15)

Restricted

Stock <sup>(1)</sup>	<u>(16)</u>	12/14/2007	12/14/2007	J	50,000	<u>(16)</u>	<u>(16)</u>	Common Stock	50,000
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(16)

Phantom

Stock <sup>(1)</sup>	<u>(17)</u>	12/14/2007	12/14/2007	J	28,137	<u>(17)</u>	<u>(17)</u>	Common Stock	28,137
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(17)

## 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. 12/18/2007

\_\_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) Shares acquired in a pro rata distribution by Temple-Inland Inc. through a spin-off on or around December 28, 2007.
- (2) 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.  
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.)
- (3) Shares acquired in a pro rata distribution by Temple-Inland Inc. through a spin-off on or around December 28, 2007. Option exercise price shown is Temple-Inland Inc.'s exercise price that will be adjusted to reflect Guaranty Financial Group Inc.'s option exercise price upon the spin-off and pro rata distribution of shares on or around December 28, 2007.
- (4) Options Vesting Schedule for Options Granted 02/06/1998 - exercise price \$18.14: 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.
- (5) Options Vesting Schedule for Options Granted 05/01/1998 - exercise price \$22.86: 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.
- (6) Options Vesting Schedule for Options Granted 05/07/1999 - exercise price \$28.03: 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.
- (7) Options Vesting Schedule for Options Granted 02/04/2000 - exercise price \$18.03: 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.
- (8) Options Vesting Schedule for Options Granted 02/02/2001 - exercise price \$16.04: Options Exercisable 02/04/2002 - 16,666; Options Exercisable 02/04/2003 - 16,666; Options Exercisable 02/04/2004 - 16,666; Options Exercisable 02/04/2005 - 16,666.
- (9)

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- (10) Options Vesting Schedule for Options Granted 02/01/2002 - exercise price \$18.05: 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 - 8,333.
- (11) Options Vesting Schedule for Options Granted 02/07/2003 - exercise price \$11.90: 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.
- (12) Options Vesting Schedule for Options Granted 02/06/2004 - exercise price \$20.41: 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 - 8,333.
- (13) Options Vesting Schedule for Options Granted 02/04/2005 - exercise price \$27.46: Options Exercisable 02/04/2006 - 8,333; Options Exercisable 02/04/2007 - 8,333; Options Exercisable 02/04/2008 - 8,333 and Options Exercisable 02/04/2009 - 8,333.
- (14) Options Vesting Schedule for Options Granted 02/03/2006 - exercise price \$36.59: Options Exercisable 02/03/2007 - 8,541; Options Exercisable 02/03/2008 - 8,541; Options Exercisable 02/03/2009 - 8,541 and Options Exercisable 02/03/2010 - 8,541.
- (15) 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.
- (16) 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.
- (17) Phantom shares accrued under a Company 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.

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