

Guaranty Financial Group Inc.  
Form 4  
January 18, 2008

**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)  
**01/16/2008**

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

**DALLAS, TX 75225**

(City) (State) (Zip)

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

**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	01/16/2008	01/16/2008	M	9,333 A	\$ 8.55	126,702	D
Common Stock	01/16/2008	01/16/2008	F	7,489 (1) D	\$ 12.41	119,213 (2)	D
Common Stock						3,795 (3)	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)

displays a currently valid OMB control number.

**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>(4)</u> <u>(5)</u>	\$ 8.55	01/16/2008	01/16/2008	M		9,333		02/06/2000	02/06/2008	Common Stock	9,333
Option (right to buy) <u>(4)</u> <u>(6)</u>	\$ 10.81							05/01/2000	05/01/2008	Common Stock	24,896
Option (right to buy) <u>(4)</u> <u>(7)</u>	\$ 13.27							05/07/2001	05/07/2009	Common Stock	32,000
Option (right to buy) <u>(4)</u> <u>(8)</u>	\$ 8.5							02/04/2002	02/04/2010	Common Stock	66,666
Option (right to buy) <u>(4)</u> <u>(9)</u>	\$ 7.55							02/02/2002	02/02/2011	Common Stock	66,666
Option (right to buy) <u>(4)</u> <u>(10)</u>	\$ 8.51							02/01/2003	02/01/2012	Common Stock	33,333
Option (right to buy) <u>(4)</u> <u>(11)</u>	\$ 5.57							02/07/2004	02/07/2013	Common Stock	36,666
Option (right to buy) <u>(4)</u> <u>(12)</u>	\$ 9.64							02/06/2005	02/06/2014	Common Stock	33,333
Option (right to buy) <u>(4)</u> <u>(13)</u>	\$ 13							02/04/2006	02/04/2015	Common Stock	33,333
Option (right to	\$ 17.36							02/03/2007	02/03/2016	Common Stock	34,166

buy) <sup>(4)</sup> <sup>(14)</sup>					
Restricted Stock <sup>(4)</sup> <u>(15)</u>	<u>(15)</u>		<u>(15)</u>	<u>(15)</u>	Common Stock 41,666
Restricted Stock <sup>(4)</sup> <u>(16)</u>	<u>(16)</u>		<u>(16)</u>	<u>(16)</u>	Common Stock 50,000
Phantom Stock <sup>(4)</sup> <u>(17)</u>	<u>(17)</u>		<u>(17)</u>	<u>(17)</u>	Common Stock 14,557

## 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. 01/18/2008

\_\_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) Reporting person surrendered shares to exercise expiring options. Represents shares withheld in payment of exercise price and in payment of taxes -- 6,430 shares withheld for exercise price and 1,059 shares withheld for taxes.
- (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.
- (3) 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.)
- (4) Shares acquired in a pro rata distribution by Temple-Inland Inc. through a spin-off on or around December 28, 2007.
- (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) 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.
- (7) 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.
- (8) 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.

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- (9) 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.
- (10) 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.
- (11) 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.  
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.
- (12) 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.
- (13) 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.
- (14) 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.
- (15) 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.
- (16) Phantom shares accrued under a Temple-Inland Inc. plan, which includes a dividend reinvestment feature, to be settled upon Reporting Person's retirement or other specified date.
- (17)

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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