

SMITH RICHARD K  
Form 4  
March 12, 2010

**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 \*  
SMITH RICHARD K

(Last) (First) (Middle)

7161 SOUTH DUNE HIGHWAY

(Street)

EMPIRE, MI 49630

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol

State Auto Financial CORP [STFC]

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

03/11/2010

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director  10% Owner  
 Officer (give title below)  Other (specify below)

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 Indirect Beneficial Ownership (Instr. 4)
Common shares without par value	03/11/2010		M	1,000 A	\$ 10.375 16,920.01 <sup>(1)</sup>	D	
Common shares without par value	03/11/2010		S	100 D	\$ 18.09 16,820.01 <sup>(1)</sup>	D	
Common shares without par value	03/11/2010		S	300 D	\$ 18.095 16,520.01 <sup>(1)</sup>	D	

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Common shares without par value	03/11/2010	S	100	D	\$ 18.2	16,420.01 <sup>(1)</sup>	D
Common shares without par value	03/11/2010	S	100	D	\$ 18.21	16,320.01 <sup>(1)</sup>	D
Common shares without par value	03/11/2010	S	400	D	\$ 18.237	15,920.01 <sup>(1)</sup>	D

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

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(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)	8. Amount or Number of Shares
Common shares without par value	\$ 10.375	03/11/2010		M	1,000	05/25/2001 05/24/2010	Common shares without par value	1,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SMITH RICHARD K 7161 SOUTH DUNE HIGHWAY EMPIRE, MI 49630		X		

## Signatures

Richard K. Smith by James A. Yano, attorney in fact pursuant to a POA filed with the Commission on 5/4/07.

03/12/2010

\_\_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).

Includes indirect holdings by spouse of 5,000 shares. Also includes restricted share units previously granted under Outside Directors

(1) Restricted Share Unit Plan equivalent in value to those declared and paid on one share of STFC common stock; 67.282 shares acquired on 6/30/09; 64.566 shares acquired on 9/30/09; 64.425 shares acquired on 12/31/09.

(2) Field should be left blank, but due to a software defect, requires input.

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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