

Rowling Robert B.
Form 4
August 28, 2008

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

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 *
Rowling Robert B.

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)

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

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

C/O TRT FINANCIAL HOLDINGS LLC, 600 EAST COLINAS BLVD, SUITE 1900

08/26/2008

(Street)

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

IRVING, TX 75039

(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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-------------------------------------|
| | | | | (A) or (D) Price | | | |
| Common Stock | | | | | 8,373,833 ⁽¹⁾ / ₍₂₎ | I | Held by TRT Financial Holdings, LLC |

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

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

SEC 1474 (9-02)

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) | |
|--|--|--------------------------------------|--|--------------------------------|---|-----|--|-----------------|---|---------------------------|
| | | | | | (A) | (D) | Date Exercisable | Expiration Date | | |
| Series B Mandatory Convert Perpetual Cumu Preferred Stk ⁽³⁾ | <u>(3)</u> | | | | | | <u>(3)</u> | <u>(3)</u> | Common Stock | 11,032,420 ⁽⁴⁾ |
| Series B Mandatory Convert Perpetual Cumu Preferred Stk ^{(3) (5)} | <u>(3)</u> | | | | | | <u>(3)</u> | <u>(3)</u> | Common Stock | 1,269,620 ⁽⁴⁾ |
| Restricted Stock Units ⁽⁶⁾ | <u>(6)</u> | 08/26/2008 | 08/26/2008 | A | 13,890 | | <u>(6)</u> | <u>(6)</u> | Common Stock | 13,890 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| Rowling Robert B. C/O TRT FINANCIAL HOLDINGS LLC 600 EAST COLINAS BLVD, SUITE 1900 IRVING, TX 75039 | X | X | | |

Signatures

Scott A. Almy signed on behalf of Robert B. Rowling
08/28/2008

 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) Indirect beneficial ownership of common stock held by TRT Financial Holdings, LLC for which Mr. Rowling serves as sole voting and the managing member.

(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) Series B Mandatory Convertible Perpetual Cumulative Preferred Stock (the "Preferred Stock") converts automatically into common stock of the Issuer upon the approval of (i) the Issuer's shareholders and (ii) the Issuer's primary banking regulator. The Series B Mandatory Convertible Perpetual Cumulative Preferred Stock is perpetual and has no expiration.

(4) The Certificate of Designations for the Preferred Stock provides for an initial conversion ratio of 10 shares of common stock for each share of Preferred Stock, subject to certain anti-dilution adjustments and the potential for the accrual of dividends.

(5) The reported securities were sold together in units with 12% Subordinated Notes of the Issuer's banking subsidiary. The total aggregate offering price of the units was \$275 million and 638,000 shares of Preferred Stock were reserved for issuance in connection with the unit offering; for every \$1.00 of 12% Subordinated Note purchased, a purchaser would receive 0.00232 shares of Preferred Stock. Rowling Family Properties, Ltd. purchased \$54.725 million worth of units, which included 126,962 shares of Preferred Stock.

(6) Restricted Stock Units ("RSU") accrued under a Guaranty Financial Group Inc. plan, which includes a dividend reinvestment feature, and are vested on the date of grant. Each RSU is the economic equivalent of one share of common stock and is payable in stock upon Reporting Person's retirement or termination of service as a director. Effective August 26, 2008, the Board of Directors approved settlement of RSUs from stock to cash upon retirement.

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.