

Guaranty Financial Group Inc.
Form 4
December 18, 2007

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 *
Faulkner Larry R

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)
12/14/2007

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

8333 DOUGLAS AVENUE

(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

DALLAS, TX 75225

(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) Code V Amount (D) Price			
Common Stock	12/14/2007	12/14/2007	J	66 ⁽¹⁾ A \$ 0	66 ⁽²⁾	D	

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)

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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
				Code V (A) (D)		Date Exercisable Expiration Date	Title	Amount or Number of Shares
Option (right to buy) ⁽³⁾ ₍₄₎	\$ 29.87	12/14/2007	12/14/2007	J	6,665	08/05/2005 08/05/2015	Common Stock	6,665
Phantom Stock ⁽¹⁾ ₍₅₎	⁽⁵⁾	12/14/2007	12/14/2007	J	5,992	⁽⁵⁾ ⁽⁵⁾	Common Stock	5,992

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Faulkner Larry R 8333 DOUGLAS AVENUE DALLAS, TX 75225	X			

Signatures

Scott A. Almy signed on behalf of Larry R. Faulkner 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) IRA Account.
- (3) Options Vesting Schedule for Options Granted 02/04/2005 - exercise price \$29.87: Options Exercisable 02/04/2006 - 2,666; Options Exercisable 02/04/2007 - 2,666; Options Exercisable 02/04/2008 - 1,333.
- (4) 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.
- (5) 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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