Kavanaugh Robert V Form 4 August 28, 2008

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB APPROVAL OMB

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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 See Instruction

(Print or Type Responses)

1(b).

(Last)

(City)

1. Name and Address of Reporting Person * Kavanaugh Robert V

(First) (Middle)

8333 DOUGLAS AVENUE

(Street)

(State)

2. Issuer Name and Ticker or Trading Symbol

Guaranty Financial Group Inc.

[GFG]

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

08/26/2008

Filed(Month/Day/Year)

3.

4. If Amendment, Date Original

X_ Director Officer (give title below)

10% Owner Other (specify

6. Individual or Joint/Group Filing(Check

5. Relationship of Reporting Person(s) to

(Check all applicable)

Applicable Line) _X_ 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

Issuer

DALLAS, TX 75225

1.Title of 2. Transaction Date 2A. Deemed Security (Month/Day/Year) Execution Date, if (Instr. 3)

(Zip)

(Month/Day/Year)

TransactionAcquired (A) or Code Disposed of (D) (Instr. 3, 4 and 5) (Instr. 8)

4. Securities

5. Amount of Securities Beneficially Owned Following Reported

Form: Direct (D) or Indirect (I) (Instr. 4)

D

I

Indirect Beneficial Ownership (Instr. 4)

6. Ownership 7. Nature of

(A) Transaction(s) or (Instr. 3 and 4) Code V Amount (D) Price

Common

Stock

Common Stock

11.823 (1)

 $6,430^{(2)}$

By Trust

SEC 1474

(9-02)

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

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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. Transacti Code (Instr. 8)	5. Number out Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	(Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Pr Deriv Secu (Instr
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Restricted Stock Units (3)	(3)	08/26/2008	08/26/2008	A	7,021	(3)	(3)	Common Stock	7,021	\$

Reporting Owners

Reporting Owner Name / Address	Relationships						
	Director	10% Owner	Officer	Other			
Kavanaugh Robert V 8333 DOUGLAS AVENUE DALLAS, TX 75225	X						

Signatures

Scott A. Almy signed on behalf of Robert V. Kavanaugh

08/28/2008

Date

**Signature of Reporting Person

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) 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.
- (2) Reporting Person is Trustee for Robert Vincent Kavanaugh and Janet Semper Kavanaugh Trustees Kavanaugh 1987 Trust dated 10/05/1987.
- 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.

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