

GROSSMAN KENNETH S
 Form 4
 August 03, 2010

FORM 4

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

OMB APPROVAL

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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 *
 GROSSMAN KENNETH S

2. Issuer Name and Ticker or Trading Symbol
 SIGNATURE GROUP HOLDINGS INC [SGGH.PK]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
 18 NORFOLK ROAD
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 06/11/2010

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

GREAT NECK, NY 11020

(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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock					100,000	D	
Common Stock	06/11/2010	06/11/2010	P		612,500	A	\$ 0.8
					2,697,772	I	Kenneth Grossman Pension Plan
Common Stock					221,301	I	Grossman Family Limited Partnership
					390,000	I	

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Common Stock										Kenneth Grossman IRA
Common Stock	06/11/2010	06/11/2010	P	475,000 (1)	A	\$ 0.8	475,000 (1)	I		Partnership
Common Stock	06/11/2010	06/11/2010	P	237,500	A	\$ 0.8	237,500	I		Jeanne Grossman - Mother
Trust Originated Preferred Securities 9%	06/11/2010	07/16/2010	J/K(2)	27,995 (2)	D	\$ 24.78 (3)	0 (2)	I		Kenneth Grossman Pension Plan
Common Stock	06/11/2010	06/25/2010	J/K(2)	146,974 (2)	A	\$ 0.72 (4)	146,974 (2)	I		Kenneth Grossman Pension Plan
Note @ 9%	06/11/2010	07/16/2010	J/K(2)	54.59 (2)	A	\$ 5,000 (5)	54.59 (2)	I		Kenneth Grossman Pension Plan

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. 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 Number Shares
Warrants	\$ 1.03	06/01/2010	06/11/2010	P	620,000 (6)	06/11/2010	06/11/2020	Signature Group Holdings, Inc. - Common Shares	620,000 (6)
Warrants	\$ 1.03	06/11/2010	06/11/2010	P		06/11/2011	06/11/2020		

					620,000 (6)			Signature Group Holdings, Inc. - Common Shares	620,000 (6)
Warrants	\$ 1.03	06/11/2010	06/11/2010	P	620,000 (6)	06/11/2012	06/11/2020	Signature Group Holdings, Inc. - Common Shares	620,000 (6)
Warrants	\$ 1.03	06/11/2010	06/11/2010	P	620,000 (6)	06/11/2013	06/11/2020	Signature Group Holding, Inc. - Common Shares	620,000 (6)
Warrants	\$ 1.03	06/11/2010	06/11/2010	P	620,000 (6)	06/11/2014	06/11/2020	Signature Group Holding, Inc. - Common Shares	620,000 (6)

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
GROSSMAN KENNETH S 18 NORFOLK ROAD GREAT NECK, NY 11020	X			

Signatures

/s/ Kenneth
Grossman 08/02/2010

**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).
- (1) On June 11, 2010 Atlantic Beach Partners purchased 475,000 common shares of Signature Group Holdings, Inc (SGGH.PK) at \$0.80 per share. Kenneth Grossman is a partner in Atlantic Beach with his brother.
 - (2) On June 11, 2010, pursuant to a Chapter 11 Plan of Reorganization of Fremont General Corporation, the Kenneth Grossman Pension Plan exchanged 27,995 shares of Trust Originated Preferred Securities (TOPrS) for cash of \$11.25 per TOPrS share, 5.25 common shares of Signature Group Holdings, Inc. (SGGH.PK) per TOPrS share and 9% Notes of \$9.75 in principal per TOPrS share in denominations of

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\$5,000.

- (3) The TOPrS disposition price per share on conversion is calculated as follows: Cash of \$11.25 per TOPrS share + Notes of \$9.75 in principal per TOPrS share + \$3.78 (5.25 Common Shares per TOPrS share @ \$.72 per common share) = \$24.78
- (4) The Closing Price of SGGH.PK on the Plan effective date of June 11, 2010 was \$.72
- (5) The Notes acquisition price is based on denominations of \$5,000 units @ \$9.75 in principal per TOPrS share. $(27,995 \times 9.75) / \$5,000 = 54.59$ Notes in denominations of \$5,000 each.

On June 11, 2010, Kenneth Grossman acquired 3,100,000 Warrants for \$0.02 per warrant share to purchase common shares in Signature Group Holdings, Inc. (SGGH.PK) at \$1.03 per share. The Warrants vest as to common stock as follows: 20% on the Effective Date June 11, 2010, and 20% each year in annual installments thereafter until the Warrants are fully vested on the fourth anniversary date of the Effective Date.

- (6) On June 11, 2010, Kenneth Grossman acquired 3,100,000 Warrants for \$0.02 per warrant share to purchase common shares in Signature Group Holdings, Inc. (SGGH.PK) at \$1.03 per share. The Warrants vest as to common stock as follows: 20% on the Effective Date June 11, 2010, and 20% each year in annual installments thereafter until the Warrants are fully vested on the fourth anniversary date of the Effective Date.

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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