

Hilltop Holdings Inc.  
Form 4  
September 22, 2008

**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 \*  
FARALLON CAPITAL  
MANAGEMENT LLC

(Last) (First) (Middle)

, ONE MARITIME PLAZA, SUITE  
2100

(Street)

SAN FRANCISCO, CA 94111

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
Hilltop Holdings Inc. [HTH]

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

09/18/2008

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

Member of Group Owning 10%

6. Individual or Joint/Group Filing(Check Applicable Line)

\_\_\_ Form filed by One Reporting Person  
\_X\_ 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 Ownership (Instr. 4)
			Code	V	Amount (A) or (D) Price		
Common Stock, par value \$0.01 per share	09/18/2008		S		4,900 D \$ 9.87	D	(1) (2) (3)
Common Stock, par value \$0.01 per share	09/18/2008		S		5,300 D \$ 9.87	D	(1) (2) (3)
Common Stock, par value \$0.01 per share	09/18/2008		S		4,600 D \$ 9.87	D	(1) (2) (4)

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Common Stock, par value \$0.01 per share	09/18/2008	S	7,622	D	\$ 9.87	2,543,317	D	<u>(1)</u> <u>(2)</u> <u>(4)</u>
Common Stock, par value \$0.01 per share	09/18/2008	S	300	D	\$ 9.87	147,125	D	<u>(1)</u> <u>(2)</u> <u>(5)</u>
Common Stock, par value \$0.01 per share	09/18/2008	S	400	D	\$ 9.87	146,725	D	<u>(1)</u> <u>(2)</u> <u>(5)</u>
Common Stock, par value \$0.01 per share	09/18/2008	S	400	D	\$ 9.87	181,180	D	<u>(1)</u> <u>(2)</u> <u>(6)</u>
Common Stock, par value \$0.01 per share	09/18/2008	S	500	D	\$ 9.87	180,680	D	<u>(1)</u> <u>(2)</u> <u>(6)</u>
Common Stock, par value \$0.01 per share	09/18/2008	S	100	D	\$ 9.87	67,713	D	<u>(1)</u> <u>(2)</u> <u>(7)</u>
Common Stock, par value \$0.01 per share	09/18/2008	S	200	D	\$ 9.87	67,513	D	<u>(1)</u> <u>(2)</u> <u>(7)</u>
Common Stock, par value \$0.01 per share	09/18/2008	S	1,600	D	\$ 9.87	324,909	D	<u>(1)</u> <u>(2)</u> <u>(8)</u>
Common Stock, par value \$0.01 per share	09/18/2008	S	1,200	D	\$ 9.87	245,970	I	See Footnotes <u>(1)</u> <u>(2)</u> <u>(9)</u>
Common Stock, par value \$0.01 per share						5,380,490	I	See Footnotes <u>(1)</u> <u>(2)</u> <u>(10)</u>
Common Stock, par value \$0.01 per share						5,626,460	I	See Footnotes <u>(1)</u> <u>(2)</u> <u>(11)</u> <u>(12)</u> <u>(13)</u>

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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 number.**

SEC 1474  
(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. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Owned Following Transaction (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

## Reporting Owners

Reporting Owner Name / Address	Relationships	
	Director	10% Owner
FARALLON CAPITAL MANAGEMENT LLC ONE MARITIME PLAZA, SUITE 2100 SAN FRANCISCO, CA 94111	X	Member of Group Owning 10%
FARALLON CAPITAL INSTITUTIONAL PARTNERS III LP C/O FARALLON CAPITAL MANAGEMENT, L.L.C. ONE MARITIME PLAZA, SUITE 2100 SAN FRANCISCO, CA 94111	X	Member of Group Owning 10%
TINICUM PARTNERS LP FARALLON C/O FARALLON CAPITAL MANAGEMENT, L.L.C. ONE MARITIME PLAZA, SUITE 2100 SAN FRANCISCO, CA 94111	X	Member of Group Owning 10%
Farallon Capital Offshore Investors II, L.P. C/O FARALLON CAPITAL MANAGEMENT, L.L.C. ONE MARITIME PLAZA, SUITE 2100 SAN FRANCISCO, CA 94111	X	Member of Group Owning 10%
DUHAMEL WILLIAM F C/O FARALLON CAPITAL MANAGEMENT, L.L.C.	X	Member of Group Owning 10%

ONE MARITIME PLAZA, SUITE 2100  
SAN FRANCISCO, CA 94111

FRIED RICHARD B  
C/O FARALLON CAPITAL MANAGEMENT, L.L.C.  
ONE MARITIME PLAZA, SUITE 2100  
SAN FRANCISCO, CA 94111

X

Member of Group Owning  
10%

LANDRY MONICA R  
C/O FARALLON CAPITAL MANAGEMENT, L.L.C.  
ONE MARITIME PLAZA, SUITE 2100  
SAN FRANCISCO, CA 94111

X

Member of Group Owning  
10%

MacMahon Douglas M  
C/O FARALLON CAPITAL MANAGEMENT, L.L.C.,  
ONE MARITIME PLAZA, SUITE 2100  
SAN FRANCISCO, CA 94111

X

Member of Group Owning  
10%

MELLIN WILLIAM F  
C/O FARALLON CAPITAL MANAGEMENT, L.L.C.  
ONE MARITIME PLAZA, SUITE 2100  
SAN FRANCISCO, CA 94111

X

Member of Group Owning  
10%

MILLHAM STEPHEN L  
C/O FARALLON CAPITAL MANAGEMENT, L.L.C.  
ONE MARITIME PLAZA, SUITE 2100  
SAN FRANCISCO, CA 94111

X

Member of Group Owning  
10%

## Signatures

/s/ Monica R. Landry as attorney-in-fact and/or authorized signer for each of FCMLLC and the reporting persons listed in footnotes (6) to (8).

09/22/2008

\_\_Signature of Reporting Person

Date

/s/ Monica R. Landry for herself and as as attorney-in-fact and/or authorized signer for each of William F. Duhamel, Richard B. Fried, Douglas M. MacMahon, William F. Mellin and Stephen L. Millham.

09/22/2008

\_\_Signature of Reporting Person

Date

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09/22/2008

\_\_Signature of Reporting Person

Date

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09/22/2008

\_\_Signature of Reporting Person

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__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).  
 The entities and individuals identified in the footnotes of this Form 4 may be deemed members of a group holding equity securities of the Issuer. The filing of this Form 4 shall not be deemed to be an admission that such entities and individuals are members of such group.
- (1) Since the number of reporting persons that may be listed on a Form 4 is limited, the entities and individuals listed in the footnotes of this Form 4 that are not reporting persons on this Form 4 are filing one additional Form 4 on the date hereof, as reporting persons with respect to the securities described in this Form 4 (the "Parallel Form 4"). Information regarding these entities and individuals is included on this Form 4 for purposes of clarification and convenience only, and is duplicative of the information reported in the Parallel Form 4.
- (2) The amount of securities shown in this row is owned directly by Farallon Capital Partners, L.P. ("FCP").
- (3) The amount of securities shown in this row is owned directly by Farallon Capital Institutional Partners, L.P. ("FCIP").
- (4) The amount of securities shown in this row is owned directly by Farallon Capital Institutional Partners II, L.P. ("FCIP II").
- (5) The amount of securities shown in this row is owned directly by Farallon Capital Institutional Partners III, L.P. ("FCIP III").
- (6) The amount of securities shown in this row is owned directly by Tincum Partners, L.P. ("Tincum").
- (7) The amount of securities shown in this row is owned directly by Farallon Capital Offshore Investors II, L.P. ("FCOI II").  
 The amount of securities shown in this row is owned directly by a discretionary account (the "Managed Account") managed by Farallon Capital Management, L.L.C. ("FCMLLC"). FCMLLC, as the registered investment adviser to the Managed Account, may be deemed to be the beneficial owner of the Issuer's securities held by the Managed Account. FCMLLC disclaims any beneficial ownership of any of the Issuer's securities reported herein for purposes of Section 16 under the Securities Exchange Act of 1934, as amended (the "'34 Act"), or otherwise.
- (8) The amount of securities shown in this row is owned directly by FCP, FCIP, FCIP II, FCIP III, Tincum and FCOI II (collectively, the "Partnerships"). Farallon Partners, L.L.C. ("FPLLC") is the general partner of each of the Partnerships, and accordingly may be deemed to be the beneficial owner of the Issuer's securities held by the Partnerships. The amount of securities shown in this row represents FPLLC's aggregate deemed beneficial ownership of common stock of the Issuer as of September 18, 2008. FPLLC disclaims any beneficial ownership of any of the Issuer's securities reported herein or excluded herefrom for purposes of Section 16 under the '34 Act, or otherwise, except as to securities representing FPLLC's pro rata interest in, and interest in the profits of, the Partnerships.
- (9) The amount of securities shown in this row is owned directly by either the Partnerships or the Managed Account. Each of William F. Duhamel, Richard B. Fried, Monica R. Landry, Douglas M. MacMahon, William F. Mellin, Stephen L. Millham, Jason E. Moment, Ashish H. Pant, Rajiv A. Patel, Andrew J. M. Spokes and Mark C. Wehrly (collectively, the "Managing Members") and Thomas F. Steyer (the "Senior Managing Member"), as either a Managing Member or a Senior Managing Member, with the power to exercise investment discretion, of FPLLC and FCMLLC, may be deemed to be a beneficial owner of the Issuer's securities held by each of the Partnerships as referenced in footnotes (3) through (8) of this Form 4 and by the Managed Account as referenced in footnote (9) of this Form 4.
- (10)
- (11)
- (12)

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The amount of securities in this row represents the Managing Members' and the Senior Managing Member's aggregate deemed beneficial ownership of common stock of the Issuer as of September 18, 2008. The Managing Members and the Senior Managing Member disclaim any beneficial ownership of any of the Issuer's securities reported herein or excluded herefrom for purposes of Section 16 under the '34 Act or otherwise.

- (13) This Form 4 does not reflect the Reporting Persons' aggregate beneficial ownership of 7.5% Senior Exchangeable Notes due 2025 or 8.25% Series A Cumulative Redeemable Preferred Stock.

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.