

MURDOCK MICHEY L

Form 4

March 04, 2010

FORM 4**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

OMB
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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 *
MURDOCK MICHEY L2. Issuer Name and Ticker or Trading
Symbol
NATIONAL SECURITY GROUP
INC [NSEC]5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

(Last) (First) (Middle)

661 EAST DAVIS

(Street)

3. Date of Earliest Transaction
(Month/Day/Year)
03/02/2010☒ Director ☐ 10% Owner
☐ Officer (give title below) ☐ Other (specify
below)

ELBA, AL 36323

(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) |
|---------------------------------------|---|---|---|--|--|--|---|
| Common Stock | | | | (A) or (D) | 1,442 | D | |
| Common Stock | | | | (A) or (D) | 21,843 | I | By 401-K Plan |

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
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(9-02)

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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) | 8. Price or Value of Underlying Securities (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|---|
| | | | | Code | V (A) (D) | Date Exercisable Expiration Date | Title | Amount or Number of Shares |
| Phantom Stock Units | \$ 11.9 | 03/02/2010 | | J | 255 | (1) (2) | Phantom Stock Units | 255 \$ 11.9 |
| Phantom Stock Units | \$ 11.9 | 03/02/2010 | | J | 6,823 | (3) (2) | Phantom Stock Units | 6,823 \$ 11.9 |

Reporting Owners

| Reporting Owner Name / Address | Relationships |
|--|----------------------------------|
| | Director 10% Owner Officer Other |
| MURDOCK MICHEY L 661 EAST DAVIS ELBA, AL 36323 | X |

Signatures

Brian R. McLeod,
Attorney-in-fact
03/04/2010

**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) The phantom stock units were awarded under the nonqualified deferred compensation plan in which directors could elect to defer their directors fees by receiving phantom stock units payable in cash upon separation from service from the board. The plan was frozen on 12/31/2004. These shares were acquired during the fiscal year pursuant to the dividend reinvestment component of the nonqualified deferred compensation plan which was frozen 12/31/2004.
- (2) Upon separation from service from the Board, phantom stock units will be settled in cash at the then current market price of common stock.
- (3) Upon separation from service from the Board, phantom stock units will be settled in cash at the then current market price of common stock.

Remarks:

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Pertains to phantom stock plan in which election to defer fees is not a reportable event under Section 16, however acquisitions of phantom stock pursuant to the election are reportable. These deferrals are exempt transactions for purposes of Section 16b-3(d). On March 2, 2010 1/3 of each participants shares were distributed in cash.

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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