

FEDERATED NATIONAL HOLDING CO
 Form 4
 December 09, 2013

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 *
 PRYGELSKI PETER J

2. Issuer Name and Ticker or Trading Symbol
 FEDERATED NATIONAL HOLDING CO [FNHC]

5. Relationship of Reporting Person(s) to Issuer
 (Check all applicable)
 Director 10% Owner
 Officer (give title below) Other (specify below)
 Chief Financial Officer & Treas

(Last) (First) (Middle)
 14050 N.W. 14 STREET, SUITE 180
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 12/05/2013

SUNRISE, FL 33323

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

(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 Indirect Beneficial Ownership (Instr. 4) |
|--|--------------------------------------|--|--------------------------------|---|---|--|---|
| Common Stock, par value \$0.01 per share | 12/05/2013 | | M | 500 ⁽¹⁾ A | \$ 13.17 66,700 ⁽³⁾ | D | |
| Common Stock, par value \$0.01 per share | 12/05/2013 | | F | 490 ⁽¹⁾ D | \$ ⁽²⁾ 13.55 66,210 ⁽³⁾ | D | |
| | 12/05/2013 | | M | | 70,710 ⁽³⁾ | D | |

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| | | | | | | | | | |
|--|------------|--|---|---------------------|---|---------------------------|-----------------------|---|-----------------------------------|
| Common Stock, par value \$0.01 per share | | | | 4,500 <u>(4)</u> | | \$ 12.58 | | | |
| Common Stock, par value \$0.01 per share | 12/05/2013 | | F | 4,254 <u>(4)</u> | D | \$ 13.55 <u>(2)</u> | 66,456 ⁽³⁾ | D | |
| Common Stock | | | | | | | 4,000 | I | Held in Mr. Prygelski's IRA |

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) | Amount or Number of Shares |
|---|--|---|---|--------------------------------------|---|--|--------------------|---|-------------------------------------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | |
| Stock Options (right to buy) | \$ 13.17 | 12/05/2013 | | M | 500 | 12/06/2008 | 12/06/2013 | Common Stock, par value \$0.01 per share | 500 |
| Stock Options (right to buy) | \$ 12.58 | 12/05/2013 | | M | 4,500 | 01/30/2009 | 01/30/2014 | Common Stock, par value \$0.01 per share | 4,500 |
| Stock Options (right to | \$ 8.32 | | | | | 07/01/2009 ⁽⁵⁾ | 07/01/2014 | Common Stock, par value | 10,000 |

| | | | | | |
|------------------------------|---------|---------------------------|------------|--|--------|
| buy) | | | | \$0.01 per share | |
| Stock Options (right to buy) | \$ 4.59 | 12/12/2009 ⁽⁶⁾ | 12/12/2014 | Common Stock, par value \$0.01 per share | 500 |
| Stock Options (right to buy) | \$ 4.36 | 03/03/2011 ⁽⁵⁾ | 03/03/2020 | Common Stock, par value \$0.01 per share | 15,000 |
| Stock Options (right to buy) | \$ 2.45 | 08/22/2012 ⁽⁶⁾ | 08/22/2021 | Common Stock, par value \$0.01 | 10,000 |
| Stock Options (right to buy) | \$ 4.4 | 04/06/2013 ⁽⁶⁾ | 04/06/2022 | Common Stock, par value \$0.01 per share | 15,000 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|--------------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| PRYGELSKI PETER J 14050 N.W. 14 STREET SUITE 180 SUNRISE, FL 33323 | X | | Chief Financial Officer & Trea | |

Signatures

/s/ Peter J. Prygelski, III
12/09/2013

**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).
Represents a "net exercise" of vested stock options. There was no open market sale of shares by the reporting person. A total of 490
- (1) shares were withheld by Issuer for payment of the exercise price and applicable taxes, and the net exercise resulted in 10 shares being issued by the Issuer to the reporting person.
 - (2) Closing market price of Federated National Holding Company common stock on the respective transaction date.
 - (3) 65,000 of the total shares are restricted shares subject to vesting under the Issuer's 2012 Stock Incentive Plan.
 - (4)

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Represents a "net exercise" of vested stock options. There was no open market sale of shares by the reporting person. A total of 4,254 shares were withheld by Issuer for payment of the exercise price and applicable taxes, and the net exercise resulted in 246 shares being issued by the Issuer to the reporting person.

- (5) Stock options vest 20% per year.
- (6) Stock options vest 33 1/3% per year.

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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