

Noell Craig Forrest
 Form 4
 August 10, 2011

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 *
 Noell Craig Forrest

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

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

(Last) (First) (Middle)
 15303 VENTURA BLVD., SUITE 1600
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 08/08/2011

SHERMAN OAKS, CA 91403

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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | Code | V | Amount | (A) or (D) | Price |
| Restricted Common Stock | 08/02/2011 | | A | | 492,224 | A | \$ 0.56 |
| | | | | | 492,224 | D | |

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)

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| 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 | | 6. Date Exercisable and Expiration Date (Month/Day/Year) | | 7. Title and Amount of Underlying Security (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|--|--|--|-----------------|---|
| | | | | | Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | | Date Exercisable | Expiration Date | |
| Nonqualified Stock Options | \$ 0.572 | 08/08/2011 | | A | 730,750 | | 02/08/2012 | 08/08/2021 | Signature Group Holdings Inc. Common Shares |
| Nonqualified Stock Options | \$ 0.572 | 08/08/2011 | | A | 730,750 | | 02/08/2013 | 08/08/2021 | Signature Group Holdings Inc. Common Shares |
| Nonqualified Stock Options | \$ 0.572 | 08/08/2011 | | A | 730,750 | | 02/08/2014 | 08/08/2021 | Signature Group Holdings Inc. Common Shares |
| Nonqualified Stock Options | \$ 0.572 | 08/08/2011 | | A | 730,750 | | 07/01/2015 | 08/08/2021 | Signature Group Holdings Inc. Common Shares |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|-------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Noell Craig Forrest 15303 VENTURA BLVD. SUITE 1600 SHERMAN OAKS, CA 91403 | X | | Chief Executive Officer | |

Signatures

Craig Forrest
Noell

08/08/2011

__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).

Remarks:

On August 2, 2011, pursuant to his Employment Agreement and subject to the terms of his Restricted Stock Award Agreement

On August 8, 2011, pursuant to his Employment Agreement and subject to the terms of his Non-Qualified Stock Option Agreement

See the Company's Form 8-K/A filed on August 4, 2011 for further details.

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.