

Ross Kyle
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 *
Ross Kyle

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

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

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

SHERMAN OAKS, CA 91403

(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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|----------------------------------------------------------|--------------------------------------------|
| | | | | Code V | Amount | (A) or (D) | Price |
| Restricted Common Stock | 08/02/2011 | | A | | 416,667 | A | \$ 0.56 |
| | | | | | 416,667 | D | |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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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 | 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) | (Instr. 8) | Date Exercisable | Expiration Date | |
| Nonqualified Stock Options | \$ 0.572 | 08/08/2011 | | A | | 405,000 | 02/08/2012 | 08/08/2021 | Signature Group Holdings, Inc. Common Shares |
| Nonqualified Stock Options | \$ 0.572 | 08/08/2011 | | A | | 405,000 | 02/08/2013 | 08/08/2021 | Signature Group Holdings, Inc. Common Shares |
| Nonqualified Stock Options | \$ 0.572 | 08/08/2011 | | A | | 405,000 | 02/08/2014 | 08/08/2021 | Signature Group Holdings, Inc. Common Shares |
| Nonqualified Stock Options | \$ 0.572 | 08/08/2011 | | A | | 405,000 | 07/01/2015 | 08/08/2021 | Signature Group Holdings, Inc. Common Shares |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--------------------------------------------------------------------------|---------------|-----------|--------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Ross Kyle 15303 VENTURA BLVD. SUITE 1600 SHERMAN OAKS, CA 91403 | X | | Executive Vice President | |

Signatures

Kyle Ross 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.

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