

FEDERATED NATIONAL HOLDING CO  
 Form 4  
 May 22, 2014

**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)

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

3. Date of Earliest Transaction (Month/Day/Year)  
 05/20/2014

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
 Chief Financial Officer & Treas

SUNRISE, FL 33323

(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) |
|--|--------------------------------------|--|--------------------------------|---|---|--|---|
|  |                                      |  | Code                           | V   | Amount  | (A) or (D)   | Price   |
| Common Stock, par value \$0.01 per share | 05/20/2014                           |  | M                              |   | 10,000  | A  | \$ 8.32   |
|  |                                      |  |                                |   | 91,158  | (1)  | D   |
| Common Stock, par value \$0.01 per share | 05/20/2014                           |  | M                              |   | 500   | A  | \$ 4.59   |
|  |                                      |  |                                |   | 91,658  | (1)  | D   |
|  | 05/20/2014                           |  | S                              |   | 76  | D  | 91,582 (1)  |
|  |                                      |  |                                |   |   |  | D   |

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|  |            |   |     |   |             |                       |   |
|--|------------|---|-----|---|-------------|-----------------------|---|
| Common<br>Stock, par<br>value<br>\$0.01 per<br>share |            |   |     |   | \$<br>23.22 |                       |   |
| Common<br>Stock, par<br>value<br>\$0.01 per<br>share | 05/20/2014 | S | 100 | D | \$<br>23.26 | 91,482 <sup>(1)</sup> | D |
| Common<br>Stock, par<br>value<br>\$0.01 per<br>share | 05/20/2014 | S | 100 | D | \$<br>23.27 | 91,382 <sup>(1)</sup> | D |
| Common<br>Stock, par<br>value<br>\$0.01 per<br>share | 05/20/2014 | S | 100 | D | \$<br>23.28 | 91,282 <sup>(1)</sup> | D |
| Common<br>Stock, par<br>value<br>\$0.01 per<br>share | 05/20/2014 | S | 100 | D | \$ 23.3     | 91,182 <sup>(1)</sup> | D |
| Common<br>Stock, par<br>value<br>\$0.01 per<br>share | 05/20/2014 | S | 100 | D | \$<br>23.33 | 91,082 <sup>(1)</sup> | D |
| Common<br>Stock, par<br>value<br>\$0.01 per<br>share | 05/20/2014 | S | 100 | D | \$<br>23.35 | 90,982 <sup>(1)</sup> | D |
| Common<br>Stock, par<br>value<br>\$0.01 per<br>share | 05/20/2014 | S | 100 | D | \$ 23.4     | 90,882 <sup>(1)</sup> | D |
| Common<br>Stock, par<br>value<br>\$0.01 per<br>share | 05/20/2014 | S | 200 | D | \$<br>23.41 | 90,682 <sup>(1)</sup> | D |
|  | 05/20/2014 | S | 200 | D |             | 90,482 <sup>(1)</sup> | D |

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|  |            |   |       |   |             |                       |   |
|--|------------|---|-------|---|-------------|-----------------------|---|
| Common<br>Stock, par<br>value<br>\$0.01 per<br>share |            |   |       |   | \$<br>23.42 |                       |   |
| Common<br>Stock, par<br>value<br>\$0.01 per<br>share | 05/20/2014 | S | 100   | D | \$<br>23.43 | 90,382 <sup>(1)</sup> | D |
| Common<br>Stock, par<br>value<br>\$0.01 per<br>share | 05/20/2014 | S | 200   | D | \$<br>23.48 | 90,182 <sup>(1)</sup> | D |
| Common<br>Stock, par<br>value<br>\$0.01 per<br>share | 05/20/2014 | S | 100   | D | \$<br>23.49 | 90,082 <sup>(1)</sup> | D |
| Common<br>Stock, par<br>value<br>\$0.01 per<br>share | 05/20/2014 | S | 500   | D | \$ 23.5     | 89,582 <sup>(1)</sup> | D |
| Common<br>Stock, par<br>value<br>\$0.01 per<br>share | 05/20/2014 | S | 600   | D | \$<br>23.51 | 88,982 <sup>(1)</sup> | D |
| Common<br>Stock, par<br>value<br>\$0.01 per<br>share | 05/20/2014 | S | 200   | D | \$<br>23.56 | 88,782 <sup>(1)</sup> | D |
| Common<br>Stock, par<br>value<br>\$0.01 per<br>share | 05/20/2014 | S | 100   | D | \$<br>23.57 | 88,682 <sup>(1)</sup> | D |
| Common<br>Stock, par<br>value<br>\$0.01 per<br>share | 05/20/2014 | S | 106   | D | \$<br>23.59 | 88,576 <sup>(1)</sup> | D |
|  | 05/20/2014 | S | 2,364 | D |             | 86,212 <sup>(1)</sup> | D |

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|  |            |   |     |   |          |                       |   |                             |
|--|------------|---|-----|---|----------|-----------------------|---|-----------------------------|
| Common Stock, par value \$0.01 per share |            |   |     |   | \$ 23.65 |                       |   |                             |
| Common Stock, par value \$0.01 per share | 05/20/2014 | S | 200 | D | \$ 23.66 | 86,012 <sup>(1)</sup> | D |                             |
| Common Stock, par value \$0.01 per share | 05/20/2014 | S | 12  | D | \$ 23.7  | 86,000 <sup>(1)</sup> | D |                             |
| Common Stock, par value \$0.01 per share |            |   |     |   |          | 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.**

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(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)               | \$ 8.32  | 05/20/2014                           |  | M                              | 10,000  | 07/01/2009   | 07/01/2014  | Common Stock, par value \$0.01 per share | 10,000 |
| Stock Options                              | \$ 4.59  | 05/20/2014                           |  | M                              | 500   | 12/12/2009   | 12/12/2014  | Common Stock, par                        | 500    |

|                              |         |                           |            |  |        |
|------------------------------|---------|---------------------------|------------|--|--------|
| (right to buy)               |         |                           |            | value \$0.01 per share                   |        |
| Stock Options (right to buy) | \$ 4.36 | 03/03/2011 <sup>(2)</sup> | 03/03/2020 | Common Stock, par value \$0.01 per share | 15,000 |
| Stock Options (right to buy) | \$ 2.45 | 08/22/2012 <sup>(3)</sup> | 08/22/2021 | Common Stock, par value \$0.01           | 10,000 |
| Stock Options (right to buy) | \$ 4.4  | 04/06/2013 <sup>(3)</sup> | 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<br>14050 N.W. 14 STREET<br>SUITE 180<br>SUNRISE, FL 33323 | X             |           | Chief Financial Officer & Trea |       |

## Signatures

/s/ Peter J. Prygelski, III  
05/22/2014

\*\*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) A total of 76,341 of the Reporting Person's shares are subject to vesting under the Issuer's 2012 Stock Incentive Plan.
- (2) The options vest 20% per year.
- (3) The 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. 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.