

Hilltop Holdings Inc.
Form SC 13D/A
September 26, 2008

OMB APPROVAL
OMB Number: 3235-0145

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Hours per response . . . 14.5

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

SCHEDULE 13D

Under the Securities Exchange Act of 1934

(Amendment No. 3) *

Hilltop Holdings Inc. (f/k/a Affordable Residential Communities Inc.)
(Name of Issuer)

Common Stock, par value \$0.01 per share
(Title of Class of Securities)

432748101
(Cusip Number)

Mark C. Wehrly

Farallon Capital Management, L.L.C.

One Maritime Plaza, Suite 2100

San Francisco, California 94111

(415) 421-2132
(Name, Address, and Telephone Number of Person

Authorized to Receive Notices and Communications)

Edgar Filing: Hilltop Holdings Inc. - Form SC 13D/A

September 25, 2008
(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of Sections 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box .

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. *See* Section 240.13d-7 for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

(Continued on following pages)

Page 1 of 41 Pages

Exhibit Index Found on Page 40

13D

CUSIP No. 432748101

NAMES OF REPORTING PERSONS

I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY)

1

Farallon Capital Partners, L.P.

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions)

(a)

2

(b) **

** The reporting persons making this filing hold an aggregate of 0 Shares, which is 0% of the class of securities. The reporting person on this cover page, however, is a beneficial owner only of the securities reported by it on this cover page.

SEC USE ONLY

3

SOURCE OF FUNDS (See Instructions)

4

N/A

CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT

TO ITEMS 2(d) OR 2(e)

5

CITIZENSHIP OR PLACE OF ORGANIZATION

6

California
NUMBER OF SOLE VOTING POWER

7

SHARES BENEFICIALLY OWNED BY EACH
-0- SHARED VOTING POWER

8

OWNED BY

9

EACH

-0- SOLE DISPOSITIVE POWER

REPORTING
PERSON WITH

10

-0-
SHARED DISPOSITIVE POWER

-0-

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

11

-0-
CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES

CERTAIN SHARES (See Instructions)

12

[]

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

13

0.0%
TYPE OF REPORTING PERSON (See Instructions)

14

PN

13D

CUSIP No. 432748101

NAMES OF REPORTING PERSONS

I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY)

1

Farallon Capital Institutional Partners, L.P.

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions)

(a)

2

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N/A

CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT

TO ITEMS 2(d) OR 2(e)

5

CITIZENSHIP OR PLACE OF ORGANIZATION

6

California
NUMBER OF SOLE VOTING POWER

7

SHARES BENEFICIALLY OWNED BY EACH
-0- SHARED VOTING POWER

8

SOLE DISPOSITIVE POWER

9

EACH

REPORTING
PERSON WITH

10

-0-
SHARED DISPOSITIVE POWER

-0-

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

11

-0-
CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES

CERTAIN SHARES (See Instructions)

12

[]

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

13

0.0%
TYPE OF REPORTING PERSON (See Instructions)

14

PN

13D

CUSIP No. 432748101

NAMES OF REPORTING PERSONS

I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY)

1

Farallon Capital Institutional Partners II, L.P.

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions)

(a)

2

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N/A

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TO ITEMS 2(d) OR 2(e)

5

CITIZENSHIP OR PLACE OF ORGANIZATION

6

California
NUMBER OF **SOLE VOTING POWER**

7

SHARES **-0-**
BENEFICIALLY **SHARED VOTING POWER**

OWNED BY **8**

EACH **9** **-0-**
SOLE DISPOSITIVE POWER

REPORTING
PERSON WITH

10

-0-
SHARED DISPOSITIVE POWER

-0-

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

11

-0-
CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES

CERTAIN SHARES (See Instructions)

12

[]

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

13

0.0%
TYPE OF REPORTING PERSON (See Instructions)

14

PN

13D

CUSIP No. 432748101

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Farallon Capital Institutional Partners III, L.P.

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N/A

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TO ITEMS 2(d) OR 2(e)

5

CITIZENSHIP OR PLACE OF ORGANIZATION

6

Delaware
NUMBER OF SOLE VOTING POWER

7

SHARES BENEFICIALLY OWNED BY EACH
-0- SHARED VOTING POWER

8

OWNED BY

9

EACH

-0- SOLE DISPOSITIVE POWER

REPORTING
PERSON WITH

10

-0-
SHARED DISPOSITIVE POWER

-0-

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

11

-0-
CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES

CERTAIN SHARES (See Instructions)

12

[]

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

13

0.0%
TYPE OF REPORTING PERSON (See Instructions)

14

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13D

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N/A

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TO ITEMS 2(d) OR 2(e)

5

CITIZENSHIP OR PLACE OF ORGANIZATION

6

New York
NUMBER OF SOLE VOTING POWER

7

SHARES BENEFICIALLY OWNED BY EACH
-0- SHARED VOTING POWER

8

OWNED BY

9

EACH

-0- SOLE DISPOSITIVE POWER

REPORTING
PERSON WITH

10

-0-
SHARED DISPOSITIVE POWER

-0-

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

11

-0-
CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES

CERTAIN SHARES (See Instructions)

12

[]

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

13

0.0%
TYPE OF REPORTING PERSON (See Instructions)

14

PN

13D

CUSIP No. 432748101

NAMES OF REPORTING PERSONS

I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY)

1

Farallon Capital Offshore Investors II, L.P.

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions)

(a)

2

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N/A

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TO ITEMS 2(d) OR 2(e)

5

CITIZENSHIP OR PLACE OF ORGANIZATION

6

| | | |
|-----------|----------------|-------------------|
| | Cayman Islands | |
| NUMBER OF | | SOLE VOTING POWER |

7

| | | |
|--------------|--|---------------------|
| SHARES | | -0- |
| BENEFICIALLY | | SHARED VOTING POWER |

OWNED BY 8

| | | |
|------|---|------------------------|
| | | -0- |
| EACH | 9 | SOLE DISPOSITIVE POWER |

REPORTING
PERSON WITH

10

-0-
SHARED DISPOSITIVE POWER

-0-

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

11

-0-
CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES

CERTAIN SHARES (See Instructions)

12

[]

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

13

0.0%
TYPE OF REPORTING PERSON (See Instructions)

14

PN

13D

CUSIP No. 432748101

NAMES OF REPORTING PERSONS

I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY)

1

Farallon Capital Management, L.L.C.

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(a)

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N/A

CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT

TO ITEMS 2(d) OR 2(e)

5

CITIZENSHIP OR PLACE OF ORGANIZATION

6

Delaware
NUMBER OF SOLE VOTING POWER

7

SHARES BENEFICIALLY OWNED BY EACH
-0- SHARED VOTING POWER

8

SOLE DISPOSITIVE POWER

9

EACH

REPORTING
PERSON WITH

10

-0-
SHARED DISPOSITIVE POWER

-0-

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

11

-0-
CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES

CERTAIN SHARES (See Instructions)

12

[]

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

13

0.0%
TYPE OF REPORTING PERSON (See Instructions)

14

IA, OO

13D

CUSIP No. 432748101

NAMES OF REPORTING PERSONS

I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY)

1

Farallon Partners, L.L.C.

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N/A

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TO ITEMS 2(d) OR 2(e)

5

CITIZENSHIP OR PLACE OF ORGANIZATION

6

Delaware
NUMBER OF

SOLE VOTING POWER

7

SHARES
BENEFICIALLY

-0-
SHARED VOTING POWER

OWNED BY

8

EACH

9

-0-
SOLE DISPOSITIVE POWER

REPORTING
PERSON WITH

10

-0-
SHARED DISPOSITIVE POWER

-0-

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

11

-0-
CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES

CERTAIN SHARES (See Instructions)

12

[]

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

13

0.0%
TYPE OF REPORTING PERSON (See Instructions)

14

OO

13D

CUSIP No. 432748101

NAMES OF REPORTING PERSONS

I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY)

1

Chun R. Ding [See Item 2]

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions)

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N/A

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TO ITEMS 2(d) OR 2(e)

5

CITIZENSHIP OR PLACE OF ORGANIZATION

6

United States

NUMBER OF

SOLE VOTING POWER

7

**SHARES
BENEFICIALLY**

**-0-
SHARED VOTING POWER**

OWNED BY

8

**-0-
SOLE DISPOSITIVE POWER**

EACH

9

REPORTING
PERSON WITH

10

-0-
SHARED DISPOSITIVE POWER

-0-
AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

11

-0-
CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES

CERTAIN SHARES (See Instructions)

12

[]

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

13

0.0%
TYPE OF REPORTING PERSON (See Instructions)

14

IN

13D

CUSIP No. 432748101

NAMES OF REPORTING PERSONS

I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY)

1

William F. Duhamel

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions)

(a)

2

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N/A

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TO ITEMS 2(d) OR 2(e)

5

CITIZENSHIP OR PLACE OF ORGANIZATION

6

United States
NUMBER OF

SOLE VOTING POWER

7

SHARES
BENEFICIALLY

-0-
SHARED VOTING POWER

OWNED BY

8

EACH

9

-0-
SOLE DISPOSITIVE POWER

REPORTING
PERSON WITH

10

-0-
SHARED DISPOSITIVE POWER

-0-

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

11

-0-
CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES

CERTAIN SHARES (See Instructions)

12

[]

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

13

0.0%
TYPE OF REPORTING PERSON (See Instructions)

14

IN

13D

CUSIP No. 432748101

NAMES OF REPORTING PERSONS

I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY)

1

Richard B. Fried

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions)

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2

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N/A

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CITIZENSHIP OR PLACE OF ORGANIZATION

6

United States
NUMBER OF

SOLE VOTING POWER

7

SHARES
BENEFICIALLY

-0-
SHARED VOTING POWER

OWNED BY

8

EACH

9

-0-
SOLE DISPOSITIVE POWER

REPORTING
PERSON WITH

10

-0-
SHARED DISPOSITIVE POWER

-0-

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

11

-0-
CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES

CERTAIN SHARES (See Instructions)

12

[]

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

13

0.0%
TYPE OF REPORTING PERSON (See Instructions)

14

IN

13D

CUSIP No. 432748101

NAMES OF REPORTING PERSONS

I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY)

1

Monica R. Landry

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions)

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N/A

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5

CITIZENSHIP OR PLACE OF ORGANIZATION

6

United States
NUMBER OF

SOLE VOTING POWER

7

SHARES
BENEFICIALLY

-0-
SHARED VOTING POWER

OWNED BY

8

EACH

9

-0-
SOLE DISPOSITIVE POWER

REPORTING
PERSON WITH

10

-0-
SHARED DISPOSITIVE POWER

-0-

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

11

-0-
CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES

CERTAIN SHARES (See Instructions)

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PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

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0.0%
TYPE OF REPORTING PERSON (See Instructions)

14

IN

13D

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NAMES OF REPORTING PERSONS

I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY)

1

Douglas M. MacMahon

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions)

(a)

2

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5

CITIZENSHIP OR PLACE OF ORGANIZATION

6

United States
NUMBER OF

SOLE VOTING POWER

7

SHARES
BENEFICIALLY

-0-
SHARED VOTING POWER

OWNED BY

8

EACH

9

-0-
SOLE DISPOSITIVE POWER

REPORTING
PERSON WITH

10

-0-
SHARED DISPOSITIVE POWER

-0-

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

11

-0-
CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES

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0.0%
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IN

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1

William F. Mellin

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions)

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2

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CITIZENSHIP OR PLACE OF ORGANIZATION

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United States
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SHARED VOTING POWER

OWNED BY

8

EACH

9

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SOLE DISPOSITIVE POWER

REPORTING
PERSON WITH

10

-0-
SHARED DISPOSITIVE POWER

-0-

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

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-0-
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13D

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NAMES OF REPORTING PERSONS

I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY)

1

Stephen L. Millham

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions)

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CITIZENSHIP OR PLACE OF ORGANIZATION

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SHARED VOTING POWER

OWNED BY

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EACH

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-0-
SOLE DISPOSITIVE POWER

REPORTING
PERSON WITH

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-0-
SHARED DISPOSITIVE POWER

-0-

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

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13D

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I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY)

1

Jason E. Moment

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions)

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SHARED VOTING POWER

OWNED BY

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SHARED DISPOSITIVE POWER

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AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

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PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

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0.0%
TYPE OF REPORTING PERSON (See Instructions)

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IN

13D

CUSIP No. 432748101

NAMES OF REPORTING PERSONS

I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY)

1

Ashish H. Pant

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions)

(a)

2

(b) **

** The reporting persons making this filing hold an aggregate of 0 Shares, which is 0% of the class of securities. The reporting person on this cover page, however, may be deemed a beneficial owner only of the securities reported by it on this cover page.

SEC USE ONLY

3

SOURCE OF FUNDS (See Instructions)

4

N/A

CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT

TO ITEMS 2(d) OR 2(e)

5

CITIZENSHIP OR PLACE OF ORGANIZATION

6

India
NUMBER OF

SOLE VOTING POWER

7

SHARES
BENEFICIALLY

-0-
SHARED VOTING POWER

OWNED BY

8

EACH

9

-0-
SOLE DISPOSITIVE POWER

REPORTING
PERSON WITH

10

-0-
SHARED DISPOSITIVE POWER

-0-

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

11

-0-
CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES

CERTAIN SHARES (See Instructions)

12

[]

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

13

0.0%
TYPE OF REPORTING PERSON (See Instructions)

14

IN

13D

CUSIP No. 432748101

NAMES OF REPORTING PERSONS

I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY)

1

Rajiv A. Patel

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions)

(a)

2

(b) **

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SEC USE ONLY

3

SOURCE OF FUNDS (See Instructions)

4

N/A

CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT

TO ITEMS 2(d) OR 2(e)

5

CITIZENSHIP OR PLACE OF ORGANIZATION

6

United States
NUMBER OF

SOLE VOTING POWER

7

SHARES
BENEFICIALLY

-0-
SHARED VOTING POWER

OWNED BY

8

EACH

9

-0-
SOLE DISPOSITIVE POWER

REPORTING
PERSON WITH

10

-0-
SHARED DISPOSITIVE POWER

-0-

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

11

-0-
CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES

CERTAIN SHARES (See Instructions)

12

[]

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

13

0.0%
TYPE OF REPORTING PERSON (See Instructions)

14

IN

13D

CUSIP No. 432748101

NAMES OF REPORTING PERSONS

I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY)

1

Derek C. Schrier [See Item 2]

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions)

(a)

2

(b) **

** The reporting persons making this filing hold an aggregate of 0 Shares, which is 0% of the class of securities. The reporting person on this cover page, however, may be deemed a beneficial owner only of the securities reported by it on this cover page.

SEC USE ONLY

3

SOURCE OF FUNDS (See Instructions)

4

N/A

CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT

TO ITEMS 2(d) OR 2(e)

5

CITIZENSHIP OR PLACE OF ORGANIZATION

6

United States
NUMBER OF

SOLE VOTING POWER

7

SHARES
BENEFICIALLY

-0-
SHARED VOTING POWER

OWNED BY

8

EACH

9

-0-
SOLE DISPOSITIVE POWER

REPORTING
PERSON WITH

10

-0-
SHARED DISPOSITIVE POWER

-0-

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

11

-0-
CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES

CERTAIN SHARES (See Instructions)

12

[]

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

13

0.0 %
TYPE OF REPORTING PERSON (See Instructions)

14

IN

13D

CUSIP No. 432748101

NAMES OF REPORTING PERSONS

I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY)

1

Andrew J. M. Spokes [See Item 2]

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions)

(a)

2

(b) **

** The reporting persons making this filing hold an aggregate of 0 Shares, which is 0% of the class of securities. The reporting person on this cover page, however, may be deemed a beneficial owner only of the securities reported by it on this cover page.

SEC USE ONLY

3

SOURCE OF FUNDS (See Instructions)

4

N/A

CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT

TO ITEMS 2(d) OR 2(e)

5

CITIZENSHIP OR PLACE OF ORGANIZATION

6

United Kingdom
NUMBER OF

SOLE VOTING POWER

7

SHARES
BENEFICIALLY

-0-
SHARED VOTING POWER

OWNED BY

8

EACH

9

-0-
SOLE DISPOSITIVE POWER

REPORTING
PERSON WITH

10

-0-
SHARED DISPOSITIVE POWER

-0-

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

11

-0-
CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES

CERTAIN SHARES (See Instructions)

12

[]

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

13

0.0%
TYPE OF REPORTING PERSON (See Instructions)

14

IN

13D

CUSIP No. 432748101

NAMES OF REPORTING PERSONS

I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY)

1

Thomas F. Steyer

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions)

(a)

2

(b) **

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SEC USE ONLY

3

SOURCE OF FUNDS (See Instructions)

4

N/A

CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT

TO ITEMS 2(d) OR 2(e)

5

CITIZENSHIP OR PLACE OF ORGANIZATION

6

| | | |
|-----------|---------------|-------------------|
| | United States | |
| NUMBER OF | | SOLE VOTING POWER |

7

| | | |
|--------------|--|---------------------|
| SHARES | | -0- |
| BENEFICIALLY | | SHARED VOTING POWER |

| | | |
|----------|---|--|
| OWNED BY | 8 | |
|----------|---|--|

| | | |
|------|---|------------------------|
| EACH | 9 | -0- |
| | | SOLE DISPOSITIVE POWER |

REPORTING
PERSON WITH

10

-0-
SHARED DISPOSITIVE POWER

-0-

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

11

-0-
CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES

CERTAIN SHARES (See Instructions)

12

[]

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

13

0.0%
TYPE OF REPORTING PERSON (See Instructions)

14

IN

13D

CUSIP No. 432748101

NAMES OF REPORTING PERSONS

I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY)

1

Mark C. Wehrly

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions)

(a)

2

(b) **

** The reporting persons making this filing hold an aggregate of 0 Shares, which is 0% of the class of securities. The reporting person on this cover page, however, may be deemed a beneficial owner only of the securities reported by it on this cover page.

SEC USE ONLY

3

SOURCE OF FUNDS (See Instructions)

4

N/A

CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT

TO ITEMS 2(d) OR 2(e)

5

CITIZENSHIP OR PLACE OF ORGANIZATION

6

United States
NUMBER OF

SOLE VOTING POWER

7

SHARES
BENEFICIALLY

-0-
SHARED VOTING POWER

OWNED BY

8

EACH

9

-0-
SOLE DISPOSITIVE POWER

REPORTING
PERSON WITH

10

-0-
SHARED DISPOSITIVE POWER

-0-

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

11

-0-
CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES

CERTAIN SHARES (See Instructions)

12

[]

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

13

0.0%
TYPE OF REPORTING PERSON (See Instructions)

14

IN

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This Amendment No. 3 to Schedule 13D amends the Schedule 13D initially filed on April 9, 2007 (together with all prior and current amendments thereto, the "Schedule 13D").

Item 1. Security and Issuer

Item 1 is amended and restated in its entirety as follows:

This statement relates to shares of Common Stock, par value \$0.01 per share (the "Shares") of Hilltop Holdings Inc. (f/k/a Affordable Residential Communities Inc., the "Company"). The Company's principal offices are located at 200 Crescent Court, Suite 1330, Dallas, Texas 75201.

Item 2. Identity And Background

Item 2 is amended and restated in its entirety as follows:

(a) This statement is filed by the entities and persons listed below, all of whom together are referred to herein as the "Reporting Persons."

The Farallon Funds

- (i) Farallon Capital Partners, L.P., a California limited partnership ("FCP"), with respect to the Shares held by it;
- (ii) Farallon Capital Institutional Partners, L.P., a California limited partnership ("FCIP"), with respect to the Shares held by it;
- (iii) Farallon Capital Institutional Partners II, L.P., a California limited partnership ("FCIP II"), with respect to the Shares held by it;
- (iv) Farallon Capital Institutional Partners III, L.P., a Delaware limited partnership ("FCIP III"), with respect to the Shares held by it;
- (v) Tincum Partners, L.P., a New York limited partnership ("Tincum"), with respect to the Shares held by it; and
- (vi) Farallon Capital Offshore Investors II, L.P., a Cayman Islands exempted limited partnership ("FCOI II"), with respect to the Shares held by it.

FCP, FCIP, FCIP II, FCIP III, Tincum and FCOI II are together referred to herein as the "Farallon Funds."

The Management Company

- (vii) Farallon Capital Management, L.L.C., a Delaware limited liability company (the “Management Company”), with respect to the Shares held by an account managed by the Management Company (the “Managed Account”).

The Farallon General Partner

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- (viii) Farallon Partners, L.L.C., a Delaware limited liability company which is the general partner of each of the Farallon Funds (the "Farallon General Partner"), with respect to the Shares held by each of the Farallon Funds.

The Farallon Managing Members

- (ix) Each of the following persons who is, or with respect to Ding and Schrier (as defined below) was, a managing member of both the Farallon General Partner and the Management Company, with respect to the Shares held by the Farallon Funds and the Managed Account: Chun R. Ding ("Ding"), William F. Duhamel ("Duhamel"), Richard B. Fried ("Fried"), Monica R. Landry ("Landry"), Douglas M. MacMahon ("MacMahon"), William F. Mellin ("Mellin"), Stephen L. Millham ("Millham"), Jason E. Moment ("Moment"), Ashish H. Pant ("Pant"), Rajiv A. Patel ("Patel"), Derek C. Schrier ("Schrier"), Andrew J. M. Spokes ("Spokes"), Thomas F. Steyer ("Steyer") and Mark C. Wehrly ("Wehrly").

Ding, Duhamel, Fried, Landry, MacMahon, Mellin, Millham, Moment, Pant, Patel, Schrier, Spokes, Steyer and Wehrly are together referred to herein as the "Farallon Individual Reporting Persons."

This Schedule 13D reports that:

- (A) effective as of August 22, 2007, Spokes became a managing member of the Farallon General Partner and the Management Company and, as such, may be deemed a beneficial owner of the securities beneficially owned by such entities as of such date;
- (B) effective as of September 10, 2007, Ding resigned as a managing member of the Farallon General Partner and the Management Company and, as such, ceased to be deemed a beneficial owner of the securities beneficially owned by such entities as of such date; and
- (C) effective as of May 27, 2008, Schrier had resigned as a managing member of the Farallon General Partner and the Management Company and ceased to have investment discretion with respect to the securities beneficially owned by such entities as of such date and, as such, Schrier ceased to be deemed a beneficial owner of the securities beneficially owned by such entities.

(b) The address of the principal business office of (i) the Farallon Funds, the Farallon General Partner and the Management Company is One Maritime Plaza, Suite 2100, San Francisco, California 94111 and (ii) each of the Farallon Individual Reporting Persons is set forth in Annex 1 hereto.

(c) The principal business of each of the Farallon Funds is that of a private investment fund engaging in the purchase and sale of investments for its own account. The principal business of the Farallon General Partner is to act as the general partner of the Farallon Funds. The principal business of the Management Company is that of a registered investment adviser. The principal business of each of the Farallon Individual Reporting Persons is or was set forth in Annex 1 hereto.

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- (d) None of the Reporting Persons has, during the last five years, been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).
- (e) None of the Reporting Persons has, during the last five years, been party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.
- (f) The citizenship of each of the Farallon Funds, the Farallon General Partner and the Management Company is set forth above.

The other information required by Item 2 relating to the identity and background of the Reporting Persons is set forth in Annex 1 hereto.

Item 4. Purpose Of The Transaction

Item 4 is supplemented to report the following:

The Reporting Persons disposed of all of their Shares since the filing of the prior Schedule 13D as follows: (a) an aggregate of 27,122 Shares in open-market transactions; and (b) an aggregate of 5,626,460 Shares in a private transaction pursuant to a securities purchase agreement, dated as of September 25, 2008, by and among certain of the Reporting Persons, as sellers, and Hunter's Glen/Ford Ltd., a Delaware limited partnership, as purchaser. At the time of this filing, the Reporting Persons continue to beneficially own certain convertible notes and preferred stock of the Company.

Although no Reporting Person has any specific plan or proposal to acquire or dispose of Shares, consistent with its investment purpose, each Reporting Person at any time and from time to time may acquire additional Shares or other securities of the Company or dispose of any other securities of the Company depending upon an ongoing evaluation of the investment in the Shares, prevailing market conditions, other investment opportunities, liquidity requirements of such Reporting Person and/or other investment considerations. No Reporting Person has made a determination regarding a maximum or minimum number of other securities of the Company which it may hold at any point in time.

Also, consistent with their investment intent, the Reporting Persons may engage in communications with, without limitation, one or more shareholders of the Company, one or more officers of the Company, one or more members of the board of directors of the Company or any other persons regarding the Company, including but not limited to its operations.

Except to the extent the foregoing may be deemed a plan or proposal, none of the Reporting Persons has any plans or proposals which relate to, or could result in, any of the matters referred to in paragraphs (a) through (j), inclusive, of the instructions to Item 4 of Schedule 13D. The Reporting Persons may, at any time and from time to time, review or reconsider their position and/or change their purpose and/or formulate plans or proposals with respect thereto.

Item 5. Interest In Securities Of The Issuer

Item 5 is amended and restated in its entirety as follows:

(a) The Farallon Funds

- (a),(b) The information set forth in Rows 7 through 13 of the cover page hereto for each Farallon Fund is incorporated herein by reference for each such Farallon Fund. The percentage amount set forth in Row 13 for all cover pages filed herewith is calculated based upon the 56,451,884 Shares outstanding as of August 7, 2008 as reported by the Company in its Quarterly Report on Form 10-Q for the period ended June 30, 2008 filed with the Securities and Exchange Commission on August 7, 2008.
- (c) The trade dates, number of Shares purchased or sold and the price per Share (including commissions) for all purchases and sales of the Shares by the Farallon Funds in the past 60 days are set forth on Schedules A-F hereto and are incorporated herein by reference. All of such transactions were either open-market transactions or a private transaction.
- (d) The Farallon General Partner has the power to direct the receipt of dividends relating to, or the disposition of the proceeds of the sale of, all of the Shares held by the Farallon Funds as reported herein. The Farallon Individual Reporting Persons are managing members of the Farallon General Partner.
- (e) As of September 25, 2008, each of the Farallon Funds ceased to be the beneficial owner of more than five percent of the class of securities.

(b) The Management Company

- (a),(b) The information set forth in Rows 7 through 13 of the cover page hereto for the Management Company is incorporated herein by reference.
- (c) The trade dates, number of Shares purchased or sold and the price per Share (including commissions) for all purchases and sales of the Shares by the Management Company on behalf of the Managed Account in the past 60 days are set forth on Schedule G hereto and are incorporated herein by reference. All of such transactions were either open-market transactions or a private transaction.
- (d) The Management Company has the power to direct the receipt of dividends relating to, or the disposition of the proceeds of the sale of, all of the Shares held by the Managed Account as reported herein. The Farallon Individual Reporting Persons are managing members of the Management Company.
- (e) As of September 25, 2008, the Management Company may no longer be deemed the beneficial owner of more than five percent of the class of securities.

(c) The Farallon General Partner

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- (a),(b) The information set forth in Rows 7 through 13 of the cover page hereto for the Farallon General Partner is incorporated herein by reference.
 - (c) None.
 - (d) The Farallon General Partner has the power to direct the receipt of dividends relating to, or the disposition of the proceeds of the sale of, all of the Shares held by the Farallon Funds as reported herein. The Farallon Individual Reporting Persons are managing members of the Farallon General Partner.
 - (e) As of September 25, 2008, the Farallon General Partner may no longer be deemed the beneficial owner of more than five percent of the class of securities.
- (d) The Farallon Individual Reporting Persons
- (a),(b) The information set forth in Rows 7 through 13 of the cover page hereto for each Farallon Individual Reporting Person is incorporated herein by reference for each such Farallon Individual Reporting Person.
 - (c) None.
 - (d) The Farallon General Partner has the power to direct the receipt of dividends relating to, or the disposition of the proceeds of the sale of, all of the Shares held by the Farallon Funds as reported herein. The Management Company has the power to direct the receipt of dividends relating to, or the disposition of the proceeds of the sale of, all the Shares held by the Managed Account as reported herein. The Farallon Individual Reporting Persons are managing members of both the Farallon General Partner and the Management Company.
 - (e) As of September 10, 2007, Ding may no longer be deemed the beneficial owner of any Shares. As of May 27, 2008, Schrier may no longer be deemed the beneficial owner of any Shares. As of September 25, 2008, each of the other Farallon Individual Reporting Persons may no longer be deemed the beneficial owner of more than five percent of the class of securities.

The Shares reported hereby for the Farallon Funds are owned directly by the Farallon Funds and those reported by the Management Company on behalf of the Managed Account are owned directly by the Managed Account. The Management Company, as investment adviser to the Managed Account, may be deemed to be the beneficial owner of all such Shares owned by the Managed Account. The Farallon General Partner, as general partner to the Farallon Funds, may be deemed to be the beneficial owner of all such Shares owned by the Farallon Funds. The Farallon Individual Reporting Persons, other than Ding and Schrier, as managing members of both the Farallon General Partner and the Management Company with the power to exercise investment discretion, may each be deemed to be the beneficial owner of all such Shares owned by the Farallon Funds and the Managed Account. **Each of the Management Company, the Farallon General Partner and the Farallon Individual Reporting Persons hereby disclaims any beneficial ownership of any such Shares.**

Item 6. Contracts, Arrangements, Understandings Or
Relationships With Respect To Securities Of The Issuer

Item 6 is amended and restated in its entirety as follows:

Except as described above, there are no contracts, arrangements, understandings or relationships (legal or otherwise) among the Reporting Persons or between such persons and any other person with respect to any securities of the Company, including but not limited to the transfer or voting of any securities of the Company, finder's fees, joint ventures, loan or option arrangements, puts or calls, guarantees of profits, divisions of profits or loss, or the giving or withholding of proxies.

Item 7. Materials To Be Filed As Exhibits

There is filed herewith as Exhibit 7 a written agreement relating to the filing of joint acquisition statements as required by Section 240.13d-1(k) under the Securities Exchange Act of 1934, as amended.

SIGNATURES

After reasonable inquiry and to the best of our knowledge and belief, the undersigned certify that the information set forth in this statement is true, complete and correct.

Dated: September 26, 2008

/s/ Monica R. Landry _____

FARALLON PARTNERS, L.L.C.,

On its own behalf and

as the General Partner of

FARALLON CAPITAL PARTNERS, L.P.,

FARALLON CAPITAL INSTITUTIONAL PARTNERS, L.P.,

FARALLON CAPITAL INSTITUTIONAL PARTNERS II, L.P.,

FARALLON CAPITAL INSTITUTIONAL PARTNERS III, L.P.,

TINICUM PARTNERS, L.P. and

FARALLON CAPITAL OFFSHORE INVESTORS II, L.P.

By Monica R. Landry,

Managing Member

/s/ Monica R. Landry _____

FARALLON CAPITAL MANAGEMENT, L.L.C.

By Monica R. Landry,

Managing Member

/s/ Monica R. Landry _____

Monica R. Landry, individually and as attorney-in-fact

for each of Chun R. Ding, William F. Duhamel, Richard B. Fried, Douglas M. MacMahon, William F. Mellin, Stephen L. Millham, Jason E. Moment, Ashish H. Pant, Rajiv A. Patel, Derek C. Schrier, Andrew J. M. Spokes, Thomas F. Steyer and Mark C. Wehrly

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The Power of Attorney executed by each of Ding, Duhamel, Fried, MacMahon, Mellin, Millham, Moment, Pant, Patel, Schrier, Steyer and Wehrly authorizing Landry to sign and file this Schedule 13D on his behalf, which was filed with the Schedule 13D filed with the Securities and Exchange Commission on July 2, 2007 by such Reporting Persons with respect to the Common Stock of Armor Holdings, Inc., is hereby incorporated by reference. The Power of Attorney executed by Spokes authorizing Landry to sign and file this Schedule 13D on his behalf, which was filed with the Schedule 13D filed with the Securities and Exchange Commission on August 28, 2007 by such Reporting Person with respect to the Common Stock of Global Gold Corporation, is hereby incorporated by reference.

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ANNEX 1

Set forth below with respect to the Management Company and the Farallon General Partner is the following information: (a) name; (b) address; (c) principal business; (d) state of organization; and (e) controlling persons. Set forth below with respect to each Farallon Individual Reporting Person is the following information: (a) name; (b) business address; (c) principal occupation; and (d) citizenship.

1. The Management Company

- (a) Farallon Capital Management, L.L.C.
- (b) One Maritime Plaza, Suite 2100

San Francisco, California 94111

- (c) Serves as investment adviser to various managed accounts
- (d) Delaware limited liability company
- (e) Managing Members: Thomas F. Steyer, Senior Managing Member; William F. Duhamel, Alice F. Evarts, Richard B. Fried, Monica R. Landry, Douglas M. MacMahon, William F. Mellin, Stephen L. Millham, Jason E. Moment, Ashish H. Pant, Rajiv A. Patel, Andrew J. M. Spokes, Gregory S. Swart and Mark C. Wehrly, Managing Members.

2. The Farallon General Partner

- (a) Farallon Partners, L.L.C.
- (b) c/o Farallon Capital Management, L.L.C.

One Maritime Plaza, Suite 2100

San Francisco, California 94111

- (c) Serves as general partner to investment partnerships
- (d) Delaware limited liability company
- (e) Managing Members: Thomas F. Steyer, Senior Managing Member; William F. Duhamel, Alice F. Evarts, Richard B. Fried, Monica R. Landry, Douglas M. MacMahon, William F. Mellin, Stephen L. Millham, Jason E. Moment, Ashish H. Pant, Rajiv A. Patel, Andrew J. M. Spokes, Gregory S. Swart and Mark C. Wehrly, Managing Members.

3. Managing Members of the Management Company and the Farallon General Partner

Each of the managing members of the Management Company and the Farallon General Partner, other than Ashish H. Pant, Andrew J. M. Spokes and Gregory S. Swart is a citizen of the United States. Ashish H. Pant is a citizen of India. Andrew J. M. Spokes is a citizen of the United Kingdom. Gregory S. Swart is a citizen of New Zealand. The business address of each of the managing members of the Management Company and the Farallon General Partner is c/o Farallon Capital Management, L.L.C., One Maritime Plaza, Suite 2100, San Francisco, California 94111. The principal occupation of Thomas F. Steyer is serving as senior managing member of both the Management Company and the Farallon General Partner. The principal occupation of each other managing member of the Management Company and the Farallon General Partner is serving as a managing member of both the Management Company and the Farallon General Partner. None of the managing members of the Management Company and the Farallon General Partner has any additional information

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to disclose with respect to Items 2-6 of the Schedule 13D that is not already disclosed in the Schedule 13D.

Page 32 of 41 Pages

SCHEDULE A

FARALLON CAPITAL PARTNERS, L.P.

| <u>TRADE DATE</u> | <u>NO. OF SHARES SOLD</u> | <u>PRICE PER SHARE (\$)</u> |
|-------------------|-------------------------------|---------------------------------|
| 9/18/08 | 10,200 | 9.85 |
| 9/25/08 | 2,117,346 | 9.75 |

SCHEDULE B

FARALLON CAPITAL INSTITUTIONAL PARTNERS, L.P.

| <u>TRADE DATE</u> | <u>NO. OF SHARES SOLD</u> | <u>PRICE PER SHARE (\$)</u> |
|-------------------|-------------------------------|---------------------------------|
| 9/18/08 | 12,222 | 9.85 |
| 9/25/08 | 2,543,317 | 9.75 |

SCHEDULE C

FARALLON CAPITAL INSTITUTIONAL PARTNERS II, L.P.

| <u>TRADE DATE</u> | <u>NO. OF SHARES SOLD</u> | <u>PRICE PER SHARE (\$)</u> |
|-------------------|-------------------------------|---------------------------------|
| 9/18/08 | 700 | 9.85 |
| 9/25/08 | 146,725 | 9.75 |

SCHEDULE D

FARALLON CAPITAL INSTITUTIONAL PARTNERS III, L.P.

| | NO. OF SHARES | PRICE |
|-------------------|---------------|-----------------------|
| <u>TRADE DATE</u> | <u>SOLD</u> | <u>PER SHARE (\$)</u> |
| 9/18/08 | 900 | 9.85 |
| 9/25/08 | 180,680 | 9.75 |

SCHEDULE E

TINICUM PARTNERS, L.P.

| <u>TRADE DATE</u> | <u>NO. OF SHARES SOLD</u> | <u>PRICE PER SHARE (\$)</u> |
|-------------------|-------------------------------|---------------------------------|
| 9/18/08 | 300 | 9.85 |
| 9/25/08 | 67,513 | 9.75 |

SCHEDULE F

FARALLON CAPITAL OFFSHORE INVESTORS II, L.L.C.

| <u>TRADE DATE</u> | <u>NO. OF SHARES SOLD</u> | <u>PRICE PER SHARE (\$)</u> |
|-------------------|-------------------------------|---------------------------------|
| 9/18/08 | 1,600 | 9.85 |
| 9/25/08 | 324,909 | 9.75 |

SCHEDULE G

FARALLON CAPITAL MANAGEMENT, L.L.C.

| | NO. OF SHARES | PRICE |
|-------------------|---------------|-----------------------|
| <u>TRADE DATE</u> | <u>SOLD</u> | <u>PER SHARE (\$)</u> |
| 9/18/08 | 1,200 | 9.85 |
| 9/25/08 | 245,970 | 9.85 |

EXHIBIT INDEX

EXHIBIT 7

Joint Acquisition Statement Pursuant to Section 240.13d-1(k)

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EXHIBIT 7

to

SCHEDULE 13D

JOINT ACQUISITION STATEMENT

PURSUANT TO SECTION 240.13d-1(k)

The undersigned acknowledge and agree that the foregoing statement on Schedule 13D is filed on behalf of each of the undersigned and that all subsequent amendments to this statement on Schedule 13D shall be filed on behalf of each of the undersigned without the necessity of filing additional joint acquisition statements. The undersigned acknowledge that each shall be responsible for the timely filing of such amendments, and for the completeness and accuracy of the information concerning him, her or it contained therein, but shall not be responsible for the completeness and accuracy of the information concerning the other entities or persons, except to the extent that he, she or it knows or has reason to believe that such information is inaccurate.

Dated: September 26, 2008

/s/ Monica R. Landry

FARALLON PARTNERS, L.L.C.,

On its own behalf and

as the General Partner of

FARALLON CAPITAL PARTNERS, L.P.,

FARALLON CAPITAL INSTITUTIONAL PARTNERS, L.P.,

FARALLON CAPITAL INSTITUTIONAL PARTNERS II, L.P.,

FARALLON CAPITAL INSTITUTIONAL PARTNERS III, L.P.,

TINICUM PARTNERS, L.P. and

FARALLON CAPITAL OFFSHORE INVESTORS II, L.P.

By Monica R. Landry,

Managing Member

/s/ Monica R. Landry

FARALLON CAPITAL MANAGEMENT, L.L.C.

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By Monica R. Landry,

Managing Member

/s/ Monica R. Landry

Monica R. Landry, individually and as attorney-in-fact

for each of Chun R. Ding, William F. Duhamel, Richard B. Fried, Douglas M. MacMahon, William F. Mellin, Stephen L. Millham, Jason E. Moment, Ashish H. Pant, Rajiv A. Patel, Derek C. Schrier, Andrew J. M. Spokes, Thomas F. Steyer and Mark C. Wehrly

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