



displays a currently valid OMB control number.

**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 Number of Shares
Stock Options	\$ 5.7	12/20/2012		M	3,283	02/28/2012 02/28/2021	Common Stock	3,283
Stock Options	\$ 4.78					<sup>(1)</sup> 05/18/2020	Common Stock	21,200
Performance Award <sup>(2)</sup>	\$ 9 <sup>(3)</sup>					<sup>(2)</sup> 08/02/2017	Common Stock	400,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
PAYNE MELVIN C 3040 POST OAK BLVD SUITE 300 HOUSTON, TX 77056	X		CEO	

## Signatures

/s/ Melvin C. Payne  
12/21/2012

<sup>\*\*</sup>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) 21,200 stock options issued on May 18, 2010 which vest one third over three years. 14,133 is vested as of the current date.

Represents performance-based stock awards granted under the Carriage Services, Inc. Second Amended and Restated 2006 Long-Term Incentive Plan. The award will vest (if at all) on or before August 2, 2017 on the date on which the closing price of Carriage's Common

(2) Stock is greater than or equal to \$21.50 for the third time, whether or not consecutive, within a period of 30 consecutive calendar days. If these conditions are satisfied on or prior to the first anniversary of the grant date, which is August 2, 2013, then the vesting date of these awards will be August 2, 2013; provided that the Reporting Person has remained continuously employed by Carriage through such date.

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- (3) The award represents the right of the Reporting Person to receive shares of Carriage Common Stock in exchange for payment of a purchase price equal to \$9.00 per share.

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.