

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

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person* <u>HOWARD PATRICK J</u> (Last) (First) (Middle) <u>C/O TECTONIC FINANCIAL, INC.</u> <u>16200 DALLAS PARKWAY, SUITE 190</u> (Street) <u>DALLAS TX 75248</u> (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>Tectonic Financial, Inc. [TECTP]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>President & COO</u>
	3. Date of Earliest Transaction (Month/Day/Year) <u>05/13/2019</u>	
4. If Amendment, Date of Original Filed (Month/Day/Year)		

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			
Series B Preferred Stock	05/14/2019		P		7,500 ⁽¹⁾	A	\$10	7,500	D	

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 Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date						Title
Stock Options (right to buy)	\$5.7 ⁽⁶⁾	05/13/2019		A		25,000 ⁽²⁾⁽³⁾		(4)	05/15/2027	Common Stock	25,000 ⁽³⁾	(2)	50,000 ⁽³⁾⁽⁶⁾	D	
Stock Options (right to buy)	\$5.7 ⁽⁷⁾	05/13/2019		A		25,000 ⁽²⁾⁽³⁾		(5)	05/15/2027	Common Stock	25,000 ⁽³⁾	(2)	50,000 ⁽³⁾⁽⁷⁾	D	

Explanation of Responses:

- Represents shares purchased through a directed share program in connection with the initial public offering of the Issuer's 9.00% Fixed-to-Floating Rate Series B Non-Cumulative Perpetual Preferred Stock (the "Series B preferred stock"), which closed on May 14, 2019. These shares of Series B preferred stock were purchased at the public offering price of \$10.00 per share.
- Received in exchange for options to purchase 50,000 common units of Tectonic Holdings, LLC ("Tectonic Holdings") in connection with the merger of Tectonic Holdings with and into the Issuer, with the Issuer continuing as the surviving company (the "Merger"). At the effective time of the Merger, each option to purchase one common unit of Tectonic Holdings was converted into an option to purchase one share of the Issuer's common stock.
- Immediately following, and in connection with, the Merger, the Issuer effected a 1-for-2 reverse stock split of the outstanding shares of its common stock (the "Reverse Stock Split"). The amount of securities reported on this Form 4 has been adjusted to reflect the Reverse Stock Split.
- These stock options vest on the earlier of the Reporting Person's termination by the Issuer without cause, a change in control or May 15, 2020.
- These stock options vest on the earlier of the Reporting Person's termination by the Issuer without cause, a change in control or May 15, 2021.
- Prior to the Merger and Reverse Stock Split and subject to vesting, the Reporting Person held options to purchase 50,000 common units of Tectonic Holdings at an exercise price of \$3.55 ("3yr Tectonic Holdings Options") and options to purchase 50,000 shares of the Issuer's common stock at an exercise price of \$2.15 ("3yr Tectonic Financial Options"), all such 3yr Tectonic Holdings Options and 3yr Tectonic Financial Options having the same exercisable date and expiration date. As a result of the Merger and Reverse Stock Split, the 3yr Tectonic Holding Options were converted into options to purchase 25,000 shares of the Issuer's common stock at an exercise price of \$5.70, which is the sum of the exercise prices of the 3yr Tectonic Holdings Options and the 3yr Tectonic Financial Options. Additionally, as a result of the Merger and Reverse Stock Split, the 3yr Tectonic Financial Options became exercisable for 25,000 shares of the

Issuer's common stock at an exercise price of \$5.70.

7. Prior to the Merger and Reverse Stock Split and subject to vesting, the Reporting Person held options to purchase 50,000 common units of Tectonic Holdings at an exercise price of \$3.55 ("4yr Tectonic Holdings Options") and options to purchase 50,000 shares of the Issuer's common stock at an exercise price of \$2.15 ("4yr Tectonic Financial Options"), all such 4yr Tectonic Holdings Options and 4yr Tectonic Financial Options having the same exercisable date and expiration date. As a result of the Merger and Reverse Stock Split, the 4yr Tectonic Holding Options were converted into options to purchase 25,000 shares of the Issuer's common stock at an exercise price of \$5.70, which is the sum of the exercise prices of the 4yr Tectonic Holdings Options and the 4yr Tectonic Financial Options. Additionally, as a result of the Merger and Reverse Stock Split, the 4yr Tectonic Financial Options became exercisable for 25,000 shares of the Issuer's common stock at an exercise price of \$5.70.

By Ken Bramlage as Attorney-in-Fact for
Patrick J. Howard

05/15/2019

** Signature of Reporting Person

Date

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

* 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).

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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