

PICO HOLDINGS INC /NEW  
 Form 4  
 September 23, 2005

**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 \*  
**HART JOHN R**

2. Issuer Name and Ticker or Trading Symbol  
**PICO HOLDINGS INC /NEW [PICO]**

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
**875 PROSPECT STREET, SUITE 301**

3. Date of Earliest Transaction (Month/Day/Year)  
**09/21/2005**

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
**President and CEO**

(Street)  
**LA JOLLA, CA 92037-4264**

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

(City) (State) (Zip)

**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)
COMMON	09/21/2005		M	V Amount (A) or (D) Price	143,140 A \$ 3.49	3,355,685 (1)	D
COMMON	09/21/2005		D	143,140 D \$ 33.23	3,355,685 (1)	D	
COMMON	09/21/2005		M	63,283 A \$ 4.74	3,355,685 (1)	D	
COMMON	09/21/2005		D	63,283 D \$ 33.23	3,355,685 (1)	D	
COMMON	09/21/2005		M	175,347 A \$ 13.45	3,355,685 (1)	D	
COMMON	09/21/2005		D	175,347 D \$	3,355,685 (1)	D	

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						33.23	
COMMON	09/21/2005		M	456,586	A	\$ 15	3,355,685 <sup>(1)</sup> D
COMMON	09/21/2005		D	456,586	D	\$ 33.23	3,355,685 <sup>(1)</sup> D

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

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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 a Underlyi (Instr. 3)	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title
STOCK APPRECIATION RIGHTS	\$ 3.49	09/21/2005		M	143,140	07/17/2003	08/08/1988 <sup>(2)</sup>	COMM
STOCK APPRECIATION RIGHTS	\$ 4.74	09/21/2005		M	63,283	07/17/2003	08/08/1988 <sup>(2)</sup>	COMM
STOCK APPRECIATION RIGHTS	\$ 13.45	09/21/2005		M	175,347	07/17/2003	08/08/1988 <sup>(2)</sup>	COMM
STOCK APPRECIATION RIGHTS	\$ 15	09/21/2005		M	456,586	07/17/2003	08/08/1988 <sup>(2)</sup>	COMM

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
HART JOHN R 875 PROSPECT STREET SUITE 301 LA JOLLA, CA 92037-4264	X		President and CEO	

## Signatures

John R. Hart by James F. Mosier per Power of Attorney dated September 17, 2002.

09/23/2005

\_\_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) (1) Of these shares 16,652 are held in a 401k Plan and Mr. Hart's shares voting power over 3,333,333 shares owned by a limited partnership.
  - (2) (2) There is no expiration date.

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.