

NORWOOD FINANCIAL CORP  
 Form 4  
 January 18, 2008

**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 \*  
 ONEILL DANIEL J

2. Issuer Name and Ticker or Trading Symbol  
 NORWOOD FINANCIAL CORP  
 [NWFL]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)  
 01/18/2008

Director  10% Owner  
 Officer (give title below)  Other (specify below)

P O BOX 269, 717 MAIN ST

(Street)

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

HONESDALE, PA 18431

(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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
|                                 |                                      |  | Code                           | V   | Amount or Price (A) or (D)  |  |                                   |
| Common Stock                    | 01/18/2008                           |  | M                              |   | 788 A \$ 14.12  | 7,330  | D                                 |
| Common Stock                    | 01/18/2008                           |  | M                              |   | 788 A \$ 10.36  | 8,118  | D                                 |
| Common Stock                    | 01/18/2008                           |  | M                              |   | 788 A \$ 16.98  | 8,906  | D                                 |
| Common Stock                    | 01/18/2008                           |  | M                              |   | 788 A \$ 19.05  | 9,694  | D                                 |
| Common Stock                    | 01/18/2008                           |  | M                              |   | 413 A \$ 23.95  | 10,107   | D                                 |

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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 and Amount of Underlying Securities (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
|  |  |                                      |  | Code                           | V (A) (D)   | Date Exercisable Expiration Date                         | Title Amount or Number of Shares                              |
| Options - Right-to-Buy                     | \$ 14.12   | 01/18/2008                           |  | M                              | 788   | 12/14/2000 12/14/2009                                    | Common Stock 788  |
| Options - Right-to-Buy                     | \$ 10.36   | 01/18/2008                           |  | M                              | 788   | 12/13/2001 12/13/2010                                    | Common Stock 788  |
| Options - Right-to-Buy                     | \$ 16.98   | 01/18/2008                           |  | M                              | 788   | 12/11/2002 12/11/2011                                    | Common Stock 788  |
| Options - Right-to-Buy                     | \$ 19.05   | 01/18/2008                           |  | M                              | 788   | 12/10/2003 12/10/2012                                    | Common Stock 788  |
| Options - Right-to-Buy                     | \$ 23.95   | 01/18/2008                           |  | M                              | 413   | 12/09/2004 12/09/2013                                    | Common Stock 413  |

## Reporting Owners

| Reporting Owner Name / Address                                       | Relationships |           |         |       |
|--|---------------|-----------|---------|-------|
|  | Director      | 10% Owner | Officer | Other |
| ONEILL DANIEL J<br>P O BOX 269<br>717 MAIN ST<br>HONESDALE, PA 18431 |               | X         |         |       |

## Signatures

/s/Daniel J. O'Neill By: Lewis J. Critelli,  
Attorney-in-Fact

01/18/2008

\*\*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).

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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