

SMALL WILLIAM J
Form 4
August 31, 2006

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 *
SMALL WILLIAM J

2. Issuer Name and Ticker or Trading Symbol
FIRST DEFIANCE FINANCIAL CORP [FDEF]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
601 CLINTON ST.
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
08/29/2006

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

DEFIANCE, OH 43512
(City) (State) (Zip)

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

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)
				(A) or (D) Code V Amount Price			
Common Stock	08/29/2006		S	320 D \$ 27.89	107,741	D	
Common Stock					15,757	I	By ESOP

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

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SEC 1474 (9-02)

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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)	8. Price or Amount of Underlying Securities (Instr. 3 and 4)
Stock Options	\$ 26.47					05/22/2007 05/21/2016	Common Stock	1,000
Stock Options	\$ 25.89					04/19/2006 04/18/2015	Common Stock	1,000
Stock Options	\$ 27.13					04/19/2005 04/18/2014	Common Stock	1,000
Stock Options	\$ 19.53					04/21/2004 04/20/2013	Common Stock	1,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SMALL WILLIAM J 601 CLINTON ST. DEFIANCE, OH 43512	X		Chairman, President and CEO	

Signatures

/s/ William J.
Small 08/31/2006

**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).

Remarks:

Note - Options listed above with \$19.53 exercise price vest at 20% per year through 4/21/08. Options listed above with \$27.13 exercise price vest at 20% per year through 4/19/09. Options listed above with \$25.89 exercise price vest at 20% per year

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through 4/19/10. Options listed above with \$16.47 exercise price vest at 20% per year through 5/22/11.

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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