Edgar Filing: NOVASTAR FINANCIAL INC - Form 4

NOVASTAR Form 4 March 16, 20	R FINANCIAL IN 007	IC								
FORM A							OMB APPROVAL			
Check thi	UNITEDS		S SECURITIES AND EXCHANGE CO Washington, D.C. 20549 OF CHANGES IN BENEFICIAL OWN SECURITIES Section 16(a) of the Securities Exchange				OMB Number:	3235-0287 January 31,		
if no long subject to Section 10 Form 4 or Form 5 obligatior	6. Filed purs	uant to Section					Estimated a burden hou response			
may conti See Instru 1(b).	inue. Section 17(a	a) of the Public U 30(h) of the In	•	. .		of 1935 or Sectio 940	on			
(Print or Type R	Responses)									
1. Name and A Ayers Jeffre	Symbol NOVA	NOVASTAR FINANCIAL INC				5. Relationship of Reporting Person(s) to Issuer (Check all applicable)				
(14)	(First) (M		[NFI]							
(Last) 8140 WARI		of Earliest Tr Day/Year) 2007	ansaction		below)	Officer (give title Other (specify				
			endment, Da nth/Day/Year	-		 6. Individual or Joint/Group Filing(Check Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting 				
KANSAS C	ITY, MO 64114					Person	viore than One Ke	eporung		
(City)	(State) (Zip) Tab	le I - Non-D	erivative S	ecurities A	cquired, Disposed o	f, or Beneficial	ly Owned		
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	Execution Date, if any	3.4. Securities AcquiredTransaction(A) or Disposed ofCode(D)(Instr. 8)(Instr. 3, 4 and 5)			Securities Beneficially Owned Following	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)			
			Code V	Amount	(A) or (D) Prie	Reported Transaction(s) (Instr. 3 and 4)				
NovaStar Financial Inc. Common Stock	03/14/2007		А	16,447 (1)	A \$0	18,447	D			

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

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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. Transacti Code (Instr. 8)	Securitie	ative es d d of	6. Date Exercis Expiration Dat (Month/Day/Y	e	7. Title and A Underlying S (Instr. 3 and 4	ecurities	8 D S (1
				Code V	(A) (I	D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Stock Option	\$ 4.18	03/14/2007		А	7,0	044	03/14/2008	03/14/2017	NovaStar Financial Inc. Common Stock	7,044	
Stock Option	\$ 4.18	03/14/2007		А	7,0	044	03/14/2009	03/14/2017	NovaStar Financial Inc. Common Stock	7,044	
Stock Option	\$ 4.18	03/14/2007		А	7,0	044	03/14/2010	03/14/2017	NovaStar Financial Inc. Common Stock	7,044	
Stock Option	\$ 4.18	03/14/2007		А	7,0	044	03/14/2011	03/14/2017	NovaStar Financial Inc. Common Stock	7,044	

Reporting Owners

Reporting Owner Name / Address	Relationships					
I. S.	Director	10% Owner	Officer	Other		
Ayers Jeffrey David 8140 WARD PARKWAY KANSAS CITY, MO 64114			SVP, Gen. Counsel & Secretary			

Signatures

Jeffrey D. Ayers

03/16/2007

**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) This is a grant of restricted stock subject to a 5 year Cliff vesting period. Restricted stock has voting rights and rights to receive future dividends on dividend payment dates, but is subject to forfeiture.

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.