

FRANKLIN CREDIT MANAGEMENT CORP/DE/
Form 4
May 26, 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 *
LYONS ALLAN R

(Last) (First) (Middle)

C/O FRANKLIN CREDIT MANAGEMENT CORP., 6 HARRISON STREET

(Street)

NEW YORK, NY 10013

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
FRANKLIN CREDIT MANAGEMENT CORP/DE/ [FCMC]

3. Date of Earliest Transaction (Month/Day/Year)
05/09/2006

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

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)
			Code	V	Amount	(A) or (D)	Price
Common Stock	05/09/2006		X		11,000	A	\$ 0.75
Common Stock	05/09/2006		X		10,000	A	\$ 1.56

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

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number.

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
Stock Option (right to buy)	\$ 0.75	05/09/2006		X		(1)	09/01/2010	Common Stock	11,000
Stock Option (right to buy)	\$ 1.56	05/09/2006		X		(2)	06/24/2006	Common Stock	10,000
Stock Option (right to buy)	\$ 7.73	05/24/2006		A	3,000	05/24/2006	05/24/2016	Common Stock	3,000

Reporting Owners

Reporting Owner Name / Address**Relationships**

Director 10% Owner Officer Other

LYONS ALLAN R
C/O FRANKLIN CREDIT MANAGEMENT CORP.
6 HARRISON STREET
NEW YORK, NY 10013

X

Signatures

/s/ Allan R.
Lyons

05/26/2006

**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).

(1) The Options vested in three equal annual installments beginning on June 23, 2001.

(2) The options vested in four equal annual installments beginning on June 26, 1997.

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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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