

LIBMAN BRIAN L
Form 3
March 23, 2006

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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INITIAL STATEMENT OF 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 *		2. Date of Event Requiring Statement	3. Issuer Name and Ticker or Trading Symbol	
LIBMAN BRIAN L		(Month/Day/Year)	CLAYTON HOLDINGS INC [CLAY]	
(Last)	(First)	(Middle)	03/23/2006	
CLAYTON HOLDINGS, INC., 2 CORPORATE DRIVE			4. Relationship of Reporting Person(s) to Issuer	5. If Amendment, Date Original Filed(Month/Day/Year)
(Street)			(Check all applicable)	
SHELTON, CT 06484			<input checked="" type="checkbox"/> Director	<input type="checkbox"/> 10% Owner
(City)			<input type="checkbox"/> Officer	<input type="checkbox"/> Other
(State)			(give title below) (specify below)	
(Zip)			6. Individual or Joint/Group Filing(Check Applicable Line)	
			<input checked="" type="checkbox"/> Form filed by One Reporting Person	
			<input type="checkbox"/> Form filed by More than One Reporting Person	

Table I - Non-Derivative Securities Beneficially Owned

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Common Stock	2,922	I	By Libman Family Holdings LLC

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

SEC 1473 (7-02)

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)	3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)	4. Conversion or Exercise Price of Derivative Security	5. Ownership Form of Derivative Security: Direct (D)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
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	Date Exercisable	Expiration Date	Amount or Number of Shares			or Indirect (I) (Instr. 5)	
Series B Convertible Preferred Stock	03/23/2006	∅ ⁽¹⁾	Common Stock	128,646	\$ ⁽²⁾	I	By Libman Family Holdings LLC
Stock Option (Right to Buy)	∅ ⁽³⁾	07/27/2015	Common Stock	10,000	\$ 6.36	D	∅
Stock Option (Right to Buy)	∅ ⁽⁴⁾	09/28/2015	Common Stock	3,750	\$ 6.8	D	∅

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
LIBMAN BRIAN L CLAYTON HOLDINGS, INC. 2 CORPORATE DRIVE SHELTON, CT 06484	∅ X	∅	∅	∅

Signatures

/s/ Steven L. Cohen,
Attorney-in-Fact

03/23/2006

 Signature of Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 5(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) These securities are preferred stock of the Issuer and do not have an expiration date.
- (2) The shares of Series B Convertible Preferred Stock will convert at a rate of 4-to-1 into the number of shares of Common Stock shown in column 3 above.
- (3) The reporting person was granted these options on July 27, 2005, 33% of which vest on each of July 27, 2006 and July 27, 2007, and the remainder of which vest on July 27, 2008.
- (4) The reporting person was granted these options on September 28, 2005, 33% of which vest on each of September 28, 2006 and September 28, 2007, and the remainder of which vest on September 28, 2008.

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Remarks:

Exhibit 24 - Power of Attorney

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.