STERN ARTHUR

Form 4

December 17, 2009

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

OMB

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES**

obligations may continue. See Instruction

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

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * STERN ARTHUR

2. Issuer Name and Ticker or Trading Symbol

5. Relationship of Reporting Person(s) to Issuer

ASTA FUNDING INC [ASFI]

(Check all applicable)

(First) (Middle) (Last)

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

_X__ Director 10% Owner

C/O ASTA FUNDING, INC., 210

12/11/2009

X_ Officer (give title Other (specify below) below)

SYLVAN AVENUE

Chairman Emeritus and Director 6. Individual or Joint/Group Filing(Check

(Street)

4. If Amendment, Date Original

Applicable Line)

Filed(Month/Day/Year)

X Form filed by One Reporting Person Form filed by More than One Reporting

(Instr. 4)

Person

ENGLEWOOD CLIFFS, NJ 07632

(Month/Day/Year)

(City) (State) (Zip) 1. Title of 2. Transaction Date 2A. Deemed

Security

(Instr. 3)

3. 4. Securities TransactionAcquired (A) or

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned 5. Amount of Securities Beneficially

6. Ownership 7. Nature of Form: Direct Indirect (D) or Indirect Beneficial Ownership (I)

(Month/Day/Year)

Execution Date, if

Code Disposed of (D) (Instr. 3, 4 and 5) (Instr. 8)

Following Reported Transaction(s)

Owned

(A) (Instr. 3 and 4)

Code V Amount (D) Price

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

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SEC 1474 (9-02)

(Instr. 4)

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

1. Title of Derivative Conversion Security or Exercise

3. Transaction Date 3A. Deemed (Month/Day/Year)

Execution Date, if any

4. 5. Number of TransactionDerivative Code Securities

6. Date Exercisable and **Expiration Date** (Month/Day/Year)

7. Title and Amount of 8 **Underlying Securities** (Instr. 3 and 4)

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(Instr. 3)	Price of Derivative Security	(Mont	Ionth/Day/Year)	(Instr.		•	nstr. 3, 4,				
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock Option (right to buy)	\$ 8.07	12/11/2009		A		25,000		<u>(1)</u>	12/11/2019	Common Stock	25,000

Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

STERN ARTHUR C/O ASTA FUNDING, INC. 210 SYLVAN AVENUE ENGLEWOOD CLIFFS, NJ 07632

X Chairman Emeritus and Director

Signatures

/s/ Robert J. Michel, Attorney-in-Fact

**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).
- These stock options have the following vesting schedule: 8,333 stock options vest on December 11, 2009, 8,333 stock options vest on December 11, 2010 and 8,334 stock options vest on December 11, 2011.

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.

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