

NOVATION COMPANIES, INC.  
Form 4  
June 25, 2015

**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 \*  
Eberwein Jeffrey E.

2. Issuer Name and Ticker or Trading Symbol  
NOVATION COMPANIES, INC.  
[NOVC]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
53 FOREST AVENUE, 1ST FLOOR  
(Street)

3. Date of Earliest Transaction (Month/Day/Year)  
06/23/2015

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

OLD GREENWICH, CT 06870

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

(City) (State) (Zip)

**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 (D) Price			
Common Stock	06/23/2015		P <sup>(1)</sup>	13,500 A \$ 0.329 <sub>(2)</sub>	1,038,775	I	By Lone Star Value Investors, LP <sup>(3)</sup>
Common Stock	06/23/2015		P <sup>(1)</sup>	1,500 A \$ 0.329 <sub>(2)</sub>	43,090	I	By Separately Managed Account <sup>(4)</sup>
Common Stock	06/24/2015		P <sup>(1)</sup>	13,500 A \$ 0.3291 <sub>(5)</sub>	1,052,275	I	By Lone Star Value Investors, LP <sup>(3)</sup>

Common Stock	06/24/2015	<u>P</u> <sup>(1)</sup>	1,500	A	\$ 0.3291 <u>(5)</u>	44,590	I	By Separately Managed Account <u>(4)</u>
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Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474  
(9-02)

**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 of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Own Follo Repor Trans (Instr
				Code V (A) (D)		Date Exercisable	Expiration Date	Title	Amount or Number of Shares

## Reporting Owners

Reporting Owner Name / Address	Relationships
	Director   10% Owner   Officer   Other
Eberwein Jeffrey E. 53 FOREST AVENUE, 1ST FLOOR OLD GREENWICH, CT 06870	X

## Signatures

/s/ Rodney E. Schwatken, Attorney-In-Fact for Jeffrey E. Eberwein	06/25/2015
**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 purchases of shares reported on this Form 4 were effected pursuant to a Rule 10b5-1 trading plan entered into by Lone Star Value Management, LLC on behalf of Lone Star Value Investors, LP and similarly managed funds and accounts on May 13, 2015.
- (2)

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The price reported is a weighted average price. These shares were purchased in multiple transactions at \$0.329. The reporting person undertakes to provide the Securities and Exchange Commission, upon request, the underlying identity of the separately managed account.

Shares owned directly by Lone Star Value Investors, LP ("Lone Star Value Investors"). Mr. Eberwein, solely by virtue of his position as the manager of Lone Star Value Investors GP, LLC, the general partner of Lone Star Value Investors, and as the sole member of Lone Star Value Management, LLC ("Lone Star Value Management"), the investment manager of Lone Star Value Investors, may be deemed to beneficially own the shares owned directly by Lone Star Value Investors for purposes of Section 16. Mr. Eberwein expressly disclaims beneficial ownership of such shares except to the extent of his pecuniary interest therein.

- (3)
- Shares held in an account separately managed by Lone Star Value Management (the "Separately Managed Account I"). Lone Star Value Management, as the investment manager of the Separately Managed Account I, may be deemed to beneficially own the shares of
- (4) Common Stock held in the Separately Managed Account I; and Jeffrey Eberwein, as the sole member of Lone Star Value Management may be deemed to beneficially own the shares of Common Stock held in the Separately Managed Account I for purposes of Section 16. Mr. Eberwein expressly disclaims beneficial ownership of such shares except to the extent of his pecuniary interest therein.

- (5) The price reported is a weighted average price. These shares were purchased in multiple transactions at prices ranging from \$0.322 to \$0.330. The reporting person undertakes to provide the Securities and Exchange Commission, upon request, further information regarding the number of shares purchased at each separate price such shares were purchased, and the underlying identity of the separately managed account.

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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