

AMSTER HOWARD  
Form 4  
July 01, 2011

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
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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 \*  
AMSTER HOWARD

2. Issuer Name and Ticker or Trading Symbol  
NOVASTAR FINANCIAL INC  
[novs-pk]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)  
06/30/2011

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

(Street)

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 Indirect Beneficial Ownership (Instr. 4)	
			Code	V	Amount	(A) or (D)	Price	
Novastar 8.9% Series C Preferred	06/30/2011		D		172,366	D	0	D
Novastar 8.9% Series C preferred	06/30/2011		D		44,600	D	0	I
	06/30/2011		D		1,800	D	0	I

Trustee voting rights disclaims beneficial ownership of CRUT

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Novastar 8.9% Series C preferred									Trustee voting rights disclaims beneficial interest of another individual's shares
Novastar Common Stock	06/30/2011		A	2,876,250	A	(4)	2,876,250	D	
Novastar Common Stock	06/30/2011		A	744,232	A	(5)	744,232	I	Trustee voting rights disclaim ownership of CRUT
Novastar Common Stock	06/30/2011		A	30,040	A	(6)	30,040	I	Trustee voting rights disclaim beneficial interest of another individual's shares

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

**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.**

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(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 Benef Own Follo Repo 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
AMSTER HOWARD			X	

## Signatures

Howard Amster 07/01/2011

\*\*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 reporting person disposed of their 8.9% series C preferred in exchange for common stock and cash in an issuer exchange offer, pursuant to Prospectus dated 05/3/2011
- (2) The reporting person disposed of their 8.9% Series C Preferred in exchange for common stock and cash in an issuer exchange offer pursuant to Prospectus dated 05/03/2011
- (3) The reporting person disposed of their 8.9% Series C preferred in an exchange for common stock and cash in an issuer exchange offer pursuant to Prospectus dated 05/03/2011
- (4) The reporting person disposed of their 8.9% Series C preferred in exchange for common stock and cash in an issuer exchange offer pursuant to Prospectus dated 05/03/2011
- (5) The reporting person disposed of their 8.9% Series C Preferred in exchange for common stock and cash in an issuer exchange offer pursuant to Prospectus dated 05/03/2011
- (6) The reporting person disposed of their 8.9% Series C preferred in exchange for common stock and cash in an issuer exchange offer pursuant to Prospectus dated 05/03/2011

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.