NOVASTAR FINANCIAL INC

Form 4/A January 09, 2008

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Check this box if no longer subject to Section 16. Form 4 or

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

Form 5 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 * 5. Relationship of Reporting Person(s) to 2. Issuer Name and Ticker or Trading Metz Gregory S Issuer Symbol NOVASTAR FINANCIAL INC (Check all applicable) [NFI] (Last) (First) (Middle) 3. Date of Earliest Transaction Director 10% Owner Other (specify X_ Officer (give title (Month/Day/Year) below) below) 8140 WARD PARKWAY 12/31/2007 SVP & CFO (Street) 4. If Amendment, Date Original 6. Individual or Joint/Group Filing(Check Filed(Month/Day/Year) Applicable Line) 01/07/2000 X Form filed by One Reporting Person

KANSAS CITY, MO 64114				Form filed by More than One Reporting Person					
(City)	(State)	(Zi	ip) Table	I - Non-I	Derivative Securities A	cquired, Disposed	of, or Beneficial	ly Owned	
1.Title of Security	2. Transaction (Month/Day/		2A. Deemed Execution Date, if	3. Transac	4. Securities tionAcquired (A) or	5. Amount of Securities	6. Ownership Form: Direct	7. Nature of Indirect	

1.Title of Security	2. Transaction Date 2A. Deemed (Month/Day/Year) Execution Date, if		3. 4. Securities TransactionAcquired (A) or			5. Amount of Securities	6. Ownership Form: Direct	Indirect	
(Instr. 3)		any (Month/Day/Year)		Code Disposed of (D) (Instr. 8) (Instr. 3, 4 and 5)			Beneficially (D) or Owned Indirect (I) Following (Instr. 4)	Beneficial Ownership (Instr. 4)	
			Code V	Amount	(A) or (D)	Price	Reported Transaction(s) (Instr. 3 and 4)		
Restricted Common Stock	01/03/2008		D	3,804 (1) (2)	D		1,118	D	
Restricted Common Stock	01/03/2008		D	530 <u>(1)</u> <u>(2)</u>	D	\$0	588	D	
Restricted Common Stock	01/03/2008		D	225 <u>(1)</u> <u>(2) (3)</u>	D	\$0	363	D	

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

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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 Doof 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
Performance Based Restricted Stock	\$ 0	12/31/2007	(3)	D	225 (1) (2)	(2)	(2)	NovaStar Financial, Inc. Common Stock	225

Reporting Owners

Reporting Owner Name / Address	Relationships
Reporting Owner Name / Address	

Director 10% Owner Officer Other

Metz Gregory S

8140 WARD PARKWAY SVP & CFO

KANSAS CITY, MO 64114

Signatures

/s/ Gregory S. 01/09/2008 Metz

**Signature of Date
Reporting Person

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) On July 27, 2007, NovaStar Financial, Inc. effected a 4-for-1 reverse stock split.
- (2) This forfeiture of restricted stock is reported in connection with Gregory S. Metz's termination without "cause" from NovaStar Financial, Inc. The initial Form 4 inadvertantly stated that Mr. Metz had resigned from NovaStar Financial, Inc.

Reporting Owners 2

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(3) This award was initially reported in Table II in a Form 4 filed on 02/07/2005. The shares were issued, so the forfeiture is being reported in Table I.

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