

HARTMAN SCOTT F  
Form 4  
February 10, 2006

**FORM 4** UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

OMB APPROVAL

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**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 \*  
HARTMAN SCOTT F

2. Issuer Name and Ticker or Trading Symbol  
NOVASTAR FINANCIAL INC  
[NFI]

5. Relationship of Reporting Person(s) to Issuer  
  
(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction  
(Month/Day/Year)  
01/28/2006

\_\_\_ Director \_\_\_ 10% Owner  
 Officer (give title below) \_\_\_ Other (specify below)  
Chairman and CEO

C/O NOVASTAR FINANCIAL INC, 8140 WARD PARKWAY, STE 300

(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

KANSAS CITY, MO 64114

(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)
			Code	V	Amount	(D)	Price
NovaStar Financial, Inc. Common Stock (1) (2)	02/08/2006		A		10,712	A	\$ 0
NovaStar Financial, Inc. Common Stock					1,200	I	

By  
Children

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

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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. Amount or Number of Shares
Stock Option	\$ 31.21	02/08/2006		A	6,100	02/08/2007 02/08/2016	NovaStar Financial, Inc. Common Stock	6,100
Stock Option	\$ 31.21	02/08/2006		A	6,100	02/08/2008 02/08/2016	NovaStar Financial, Inc. Common Stock	6,100
Stock Option	\$ 31.21	02/08/2006		A	6,100	02/08/2009 02/08/2016	NovaStar Financial, Inc. Common Stock	6,100
Stock Option	\$ 31.21	02/08/2006		A	6,101	02/08/2010 02/08/2016	NovaStar Financial, Inc. Common Stock	6,101

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
			Chairman and CEO	

