ASTA FUNDING INC

Form 4

December 21, 2006

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB

OMB APPROVAL

Number:

3235-0287

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Check this box

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 GARY

2. Issuer Name and Ticker or Trading Symbol

ASTA FUNDING INC [ASFI]

5. Relationship of Reporting Person(s) to Issuer

(Last)

(First)

(Middle)

(Zip)

3. Date of Earliest Transaction

(Month/Day/Year) 12/19/2006

(Check all applicable)

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

below) President and CEO

C/O ASTA FUNDING, INC., 210 SYLVAN AVENUE

> (Street) 4. If Amendment, Date Original

Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check

Applicable Line)

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

Person

ENGLEWOOD CLIFFS, NJ 07632

(State)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned 1.Title of 2. Transaction Date 2A. Deemed Security (Month/Day/Year) Execution Date, if (Instr. 3) (Month/Day/Year)

3. 4. Securities Acquired Transaction(A) or Disposed of Code (D) (Instr. 8) (Instr. 3, 4 and 5)

Amount

5. Amount of Securities Beneficially Owned Following Reported Transaction(s)

6. Ownership 7. Nature of Form: Direct Indirect (D) or Beneficial Indirect (I) Ownership (Instr. 4) (Instr. 4)

Common

Stock, par value \$.01 per share

(City)

12/19/2006

15,000

(D)

Price

(A)

(Instr. 3 and 4)

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	2.	3. Transaction Date	3A. Deemed	4.	5.	6. Date Exercisable and		7. Title	and	8. Price of	9. Nu
Derivative	Conversion	(Month/Day/Year)	Execution Date, if	TransactionNumber		Expiration D	ate	Amount	of	Derivative	Deriv
Security	or Exercise		any	Code	of	(Month/Day/	Year)	Underly	ing	Security	Secui
(Instr. 3)	Price of		(Month/Day/Year)	(Instr. 8)	Derivative	e		Securities		(Instr. 5)	Bene
	Derivative				Securities				(Instr. 3 and 4)		Owne
	Security				Acquired						Follo
					(A) or						Repo
					Disposed						Trans
					of (D)						(Instr
					(Instr. 3,						
					4, and 5)						
								Δ	mount		
						Date	Expiration	Title N	ı Iumber		
						Exercisable	Date	01			
				Code V	(A) (D)				hares		

Reporting Owners

Relationships Reporting Owner Name / Address

> Other Director 10% Owner Officer

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

X

President and CEO

Signatures

/s/ Erik W. Johnson, Esq., Attorney-In-Fact

12/21/2006

**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 shares vest in three equal installments. The first installment will vest 90 days after the grant date, the second a year and 90 days **(1)** after the grant date, and the third two years and 90 days after the grant date.
- Mr. Stern indirectly owns 196,656 shares of common stock as custodian for his minor children. 285,522 shares of common stock owned by Asta Group and 719,271 shares owned by GMS Family Investors LLC are attributable to Mr. Stern based on his percentage ownership of Asta Group and GMS Family Investors LLC, respectively. Mr. Stern does not have voting or investment power with respect to any of the shares held by the LLC and disclaims beneficial ownership of the shares owned by the LLC.

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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