NOVATION COMPANIES, INC.

Form 4

September 08, 2015

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

OMB 3235-0287 Number:

January 31,

2005

OMB APPROVAL

Check this box if no longer subject to Section 16.

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

Estimated average burden hours per response... 0.5

_ Other (specify

Expires:

Form 4 or Form 5 obligations may continue.

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 See Instruction

1(b).

(Last)

(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]

_X__ Director 10% Owner

Officer (give title

5. Relationship of Reporting Person(s) to

(Check all applicable)

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

53 FOREST AVENUE, 1ST FLOOR 09/03/2015

(Middle)

(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

Issuer

below)

(First)

OLD GREENWICH, CT 06870

(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. 4. Securiti Transaction Dispose Code (Instr. 3, 4) (Instr. 8)		* *		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)	
Common Stock	09/03/2015		P <u>(1)</u>	22,500	A	\$ 0.2859 (2)	2,046,866	I	By Lone Star Value Investors, LP (3)	
Common Stock	09/03/2015		P(1)	2,500	A	\$ 0.2859 (2)	155,099	I	By Separately Managed Account (4)	
Common Stock	09/04/2015		P(1)	22,500	A	\$ 0.2875 (5)	2,069,366	I	By Lone Star Value Investors, LP (3)	

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Common Stock	09/04/2015	P <u>(1)</u>	2,500	A	\$ 0.2875 (5)	157,599	I	Separately Managed Account (4)
Common Stock						192,308 (6)	D	

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.

SEC 1474

(9-02)

9. Nu Deriv Secur Bene Own Follo Repo Trans (Instr

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)	4. Transa Code (Instr.		5. mNumber of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		ate	Secur	unt of rlying	8. Price of Derivative Security (Instr. 5)
			Code	v	(A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	

Relationships

Reporting Owners

Reporting Owner Name / Address			•			
	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 09/08/2015

**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).

Reporting Owners 2

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- (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.
- The price reported is a weighted average price. These shares were purchased in multiple transactions at prices ranging from \$0.2849 to \$0.2900. 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.
 - 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
- (3) 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.
 - 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 Common Stock held in the Separately Managed Account I; and Jeffrey Eberwein, as the sole member of Lone Star Value Management
- (4) 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. The reporting person undertakes to provide the Securities and Exchange Commission, upon request, the underlying identity of the separately managed account.
- The price reported is a weighted average price. These shares were purchased in multiple transactions at prices ranging from \$0.2800 to \$0.2899. 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.
- (6) Represents restricted stock awarded under the Novation Companies, Inc. 2015 Incentive Stock Plan. These restricted stock awards shall vest on August 10, 2016.

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.