

NOVASTAR FINANCIAL INC
Form 424B3
June 01, 2011

Filed pursuant to 424(b)(3)
Registration No. 333-171115
May 31, 2011

Dear Series C Preferred Stockholder:

According to our records we have not yet received your completed consent and proxy as outlined in the proxy statement/consent solicitation/prospectus that was previously mailed to you. The special meeting of the stockholders of NovaStar Financial, Inc. is scheduled to be held on June 23, 2011.

*Your consent and vote is important no matter how many or how few shares you may own. **Whether or not you have already done so, please sign, date and return the enclosed consent/proxy card today in the envelope provided and help your company avoid the expense of further solicitation.***

If you have any questions, or need assistance in voting your shares, please contact Georgeson Inc. (the firm assisting us in the solicitation of proxies) toll-free at 866-695-6074.

Thank you for your cooperation.

Very truly yours,

/s/ W. Lance Anderson
W. Lance Anderson
*Chairman of the Board of Directors
and Chief Executive Officer*

YOU ARE ADVISED TO READ THE PROXY STATEMENT/CONSENT SOLICITATION/PROSPECTUS FOR THE SPECIAL MEETING FILED WITH THE SECURITIES AND EXCHANGE COMMISSION (SEC) BECAUSE IT CONTAINS IMPORTANT INFORMATION.

You may obtain the proxy statement/consent solicitation/prospectus and any other documents NovaStar Financial, Inc. has filed with the SEC free of charge at: <http://www.sec.gov>. If you would like additional copies of the proxy statement/consent solicitation/prospectus, you should contact:

Georgeson Inc.
199 Water Street, 26th Floor
New York, NY 10038-3560
Banks and Brokers Call (212) 440-9800
All Others Call Toll-Free (866) 695-6074