

ACCREDITED HOME LENDERS HOLDING CO

Form 4

October 15, 2007

FORM 4

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

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 *
LYDON JOSEPH JOHN

2. Issuer Name and Ticker or Trading Symbol
ACCREDITED HOME LENDERS HOLDING CO [LEND]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)
10/11/2007

Director 10% Owner
 Officer (give title below) Other (specify below)
President & COO

15253 AVENUE OF SCIENCE,
BLDG. 1

(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

SAN DIEGO, CA 92128

(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 Indirect Beneficial Ownership (Instr. 4)
Common Stock	10/11/2007		U ⁽¹⁾	300,000 D	\$ 11.75 0	I	A Lydon 2006 GRAT ⁽²⁾
Common Stock	10/11/2007		U ⁽¹⁾	300,000 D	\$ 11.75 0	I	J Lydon 2006 GRAT ⁽³⁾
Common Stock	10/11/2007		U ⁽¹⁾	125,750 D	\$ 11.75 0	I	by Trust ⁽⁴⁾

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. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned (Instr. 5)
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Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
LYDON JOSEPH JOHN 15253 AVENUE OF SCIENCE, BLDG. 1 SAN DIEGO, CA 92128	X		President & COO	

Signatures

By: David E. Hertz, Attorney-in-Fact For: Joseph John Lydon

10/12/2007

__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).

(1) These shares are being disposed of pursuant to LSF5 Accredited Merger Co. Inc.'s tender offer (the "Offer") to purchase all outstanding shares of common stock, par value \$0.001 per share, of Accredited Home Lenders Holding Co. at \$11.75 per Share, net to the seller in cash, without interest, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated June 19, 2007, as amended and supplemented, and in the related Letter of Transmittal.

(2) Andrea Lydon, trustee of the Andrea Lydon 2006 GRAT dated August 22, 2006.

(3) Joseph Lydon, trustee of the Joseph Lydon 2006 GRAT dated August 22, 2006.

(4) Joseph J. Lydon and Andrea M. Lydon, trustees of the Lydon Family Trust dated February 18, 2003.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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