

Espy Bowers W
Form 4
October 16, 2007

FORM 4

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

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

OMB APPROVAL

OMB
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(Print or Type Responses)

1. Name and Address of Reporting Person *
Espy Bowers W

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)

15253 AVENUE OF SCIENCE,
BLDG. 1

(Street)

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

10/12/2007

☒ Director ☐ 10% Owner
☐ Officer (give title below) ☐ Other (specify below)

SAN DIEGO, CA 92128

(City) (State) (Zip)

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

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)
			Code	V Amount (D) Price			

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

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SEC 1474
(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative	2. Conversion	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if	4. Transaction	5. Number of Derivative	6. Date Exercisable and Expiration Date	7. Title and Amount Underlying Security
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Security (Instr. 3)	or Exercise Price of Derivative Security	any (Month/Day/Year)	Code (Instr. 8)	Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	(Month/Day/Year)	(Instr. 3 and 4)				
			Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Non-Qualified Stock Option (right to buy)	\$ 29.98 (1)	10/12/2007	D		17,500	(1)	07/23/2014		Common Stock	17,500
Phantom Stock	(2)	10/12/2007	D		8,512	(2)	(2)		Common Stock	8,512

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
Espy Bowers W 15253 AVENUE OF SCIENCE, BLDG. 1 SAN DIEGO, CA 92128	X

Signatures

By: David E. Hertz, Attorney-in-Fact For: Bowers W.
Espy

10/16/2007

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 options, which became fully vested on October 12, 2007, were cancelled pursuant to the Merger Agreement, dated as of June 4, 2007, as amended, by and among Accredited Home Lenders Holding Co., LSF5 Accredited Merger Co., Inc. and LSF5 Accredited Investments, LLC in exchange for a cash payment equal to the product of (i) the number of shares of common stock underlying the option multiplied by (ii) the amount by which \$11.75 exceeds the price of the option.

(2) These phantom shares, granted under the Accredited Home Lenders Holding Co. Deferred Compensation Plan, amended and restated effective January 1, 2003, which were fully vested and outstanding as of October 11, 2007, were cancelled, pursuant to the Merger Agreement, dated as of June 4, 2007, as amended, by and among Accredited Home Lenders Holding Co., LSF5 Accredited Merger Co., Inc., and LSF5 Accredited Investments, LLC (the "Merger Agreement"), in exchange for a cash payment, distributed in accordance with the terms of the Deferred Compensation Plan and the related Company Stock-Based Award and the elections of participants therein, equal to the product of (i) the number of phantom shares multiplied by (ii) \$11.75.

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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