

ACCREDITED HOME LENDERS HOLDING CO

Form 4

October 16, 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)
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)
President & COO

SAN DIEGO, CA 92128

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

(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 Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)		
				(A) or (D)	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 of Underlying Securities	8. Price
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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)	Secu (Inst	
			Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Phantom Stock	(1)	10/12/2007	D		46,758	(1) (1)	Common Stock	46,758

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
 10/16/2007
 **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 phantom shares, granted under the Accredited Home Lenders Holding Co. Deferred Compensation Plan, amended and restated effective January 1, 2003, which were unvested as of October 12, 2007, were cancelled, pursuant to the Merger Agreement, in exchange for a cash payment equal to the product of (i) the number of phantom shares multiplied by (ii) \$11.75. Such cash payment will be deposited in the trust related to the Deferred Compensation Plan and the vesting and distribution of such cash amounts and any subsequent earnings thereon will be in accordance with the terms of such Deferred Compensation Plan and the related Company Stock-Based Award and the elections of participants therein.
- 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.