NOVASTAR FINANCIAL INC Form 8-K September 12, 2006 UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE

SECURITIES EXCHANGE ACT OF 1934

September 12, 2006

Date of Report (Date of earliest event reported)

NOVASTAR FINANCIAL, INC.

(Exact name of registrant as specified in its charter)

Maryland (State or other jurisdiction of incorporation or organization)

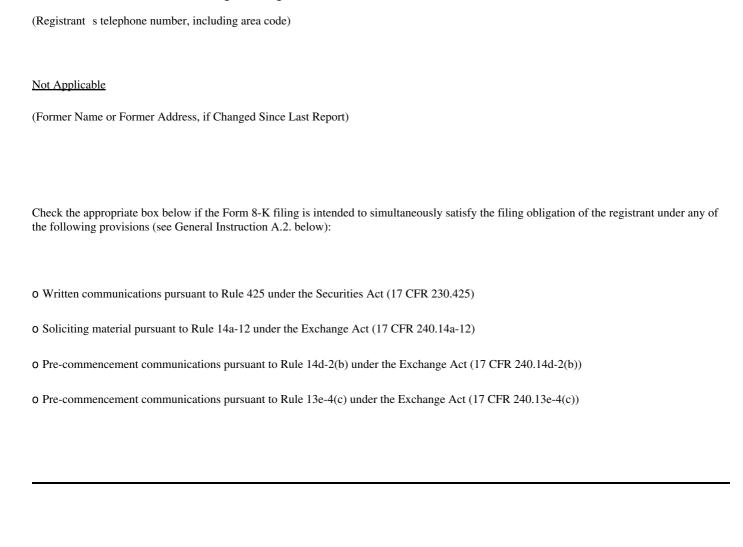
001-13533 (Commission File Number) 74-2830661 (I.R.S. Employer Identification No.)

8140 Ward Parkway, Suite 300, Kansas City, MO 64114

(Address of principal executive offices)

(Zip Code)

(816) 237-7000



INFORMATION TO BE INCLUDED IN THE REPORT

Item 8.01 Other Events

On September 12, 2006, NovaStar Mortgage, Inc., and Oak Street Mortgage LLC announced that NovaStar Mortgage, the primary loan origination unit of NovaStar Financial, Inc. (NYSE: NFI) has agreed to acquire up to 21 retail mortgage lending locations and certain other assets of Oak Street. A significant number of Oak Street s employees are expected to become employees of NovaStar Mortgage. NovaStar Mortgage will create a new Retail Division and expand its retail mortgage lending business beyond the current focus on customer retention programs.

A copy of the press release announcing this acquisition is included as Exhibit 99 and is incorporated herein by reference. References to the registrant s website in the press release do not incorporate by reference the information on the registrant s website into this Current Report and the registrant disclaims any such incorporation by reference.

Item 9.01 Financial Statements and Exhibits

- (c) Exhibits
- 99 NovaStar Mortgage, Inc. Agrees to Purchase Retail Mortgage Lending Assets From Oak Street Mortgage LLC

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

NOVASTAR FINANCIAL, INC.

DATE: September 12, 2006

/s/ Gregory S. Metz Gregory S. Metz Chief Financial Officer

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Exhibit

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99 NovaStar Mortgage, Inc. Agrees to Purchase Retail Mortgage Lending Assets From Oak Street Mortgage LLC