

HOVNIANIAN ENTERPRISES INC
 Form 4
 October 06, 2006

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 *
 HOVNIANIAN ARA K

2. Issuer Name and Ticker or Trading Symbol
 HOVNIANIAN ENTERPRISES INC
 [HOV]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
 110 WEST FRONT STREET
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 10/04/2006

Director 10% Owner
 Officer (give title below) Other (specify below)
 President and CEO

RED BANK, NJ 07701
 (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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|--|
| Class A Common Stock | 10/04/2006 | | S | 1,750 D | \$ 30 30,487 ⁽¹⁾ | I | Held as trustee of trust for Nadia K. Rodriguez's family |
| Class A Common Stock | | | | | 32,237 ⁽¹⁾ | I | Held as trustee of trust for Sossie K. Najarian's family |

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| | | | |
|----------------------------|----------------------|---|--|
| Class A Common Stock | 32,237 <u>(1)</u> | I | Held as trustee of trust for Esther K. Barry's family |
| Class A Common Stock | 32,237 <u>(1)</u> | I | Held as trustee of trust for Lucy K. Kalian's family |
| Class A Common Stock | 1,694,534 <u>(2)</u> | D | |
| Class A Common Stock | 205,092 <u>(2)</u> | I | Held by the Ara K. Hovnanian 2004 GRAT <u>(3)</u> |
| Class A Common Stock | 13,974 | I | Held by son Alexander |
| Class A Common Stock | 6,700 | I | Held by daughter Serena |
| Class A Common Stock | 16,700 | I | Held by wife |
| Class A Common Stock | 71,099 | I | Held by trust for Esther K. Barry's family <u>(4)</u> |
| Class A Common Stock | 85,319 | I | Held by trust for Lucy K. Kalian's family <u>(5)</u> |
| Class A Common Stock | 39,100 | I | Held by trust for Nadia K. Rodriquez's family <u>(6)</u> |

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form

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(9-02)

displays a currently valid OMB control number.

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 Owned Following Reporting Transaction (Instr. 6) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|---|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|-------------------|-------|
| | Director | 10% Owner | Officer | Other |
| HOVNANIAN ARA K 110 WEST FRONT STREET RED BANK, NJ 07701 | X | X | President and CEO | |

Signatures

Nancy A. Marrazzo
Attorney-in-Fact

10/06/2006

**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).

Following the final transfer of shares to the principal beneficiary of the KSH 2004 GRAT, of which the Reporting Person was the trustee and had a potential remainder interest, the remaining 128,948 shares of Class A Common Stock held by the KSH 2004 GRAT were, pursuant to the original terms of the GRAT, transferred to individual trusts for the benefit of the Reporting Person's sisters' families. The Reporting Person is a trustee of each of these new trusts and has a remote potential remainder interest in the trusts. The Reporting Person's beneficial interest in shares was not changed by any of such transfers.

(1) On June 12, 2006 the Reporting Person received a distribution of 31,254 shares of Class A Common Stock from the Ara K. Hovnanian 2004 GRAT in which the reporting person is trustee and the principal beneficiary. The Reporting Person's beneficial interest in such shares was not changed by such distribution.

(2) Held by the Ara K. Hovnanian 2004 GRAT of which the reporting person is trustee and the principal beneficiary

(3) Held by The Esther K. Barry Family 1994 Long-Term Trust, of which the reporting person is trustee and has a potential remainder interest, including shares held through a partnership interest in the Limited Partnership

(4)

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Held by The Lucy K. Kalian Family 1994 Long-Term Trust, of which the reporting person is trustee and has a potential remainder interest, including shares held through a partnership interest in the Limited Partnership

- (6) Held by The Nadia K. Rodriquez Family 1994 Long-Term Trust, of which the reporting person is trustee and has a potential remainder interest, including shares held through a partnership interest in the Limited Partnership

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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