

DOWNEY FINANCIAL CORP  
 Form 4  
 November 30, 2006

**FORM 4**

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

OMB APPROVAL

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**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 \*  
**HUNTER JAMES**

2. Issuer Name and Ticker or Trading Symbol  
**DOWNEY FINANCIAL CORP [DSL]**

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)  
**11/29/2006**

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

**1670 LA FORCE ROAD**

(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

**ALPINE, CA 91901**

(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)
				(A) or (D) Code V Amount (D) Price			
Common Stock	11/29/2006		S	1,500 D \$ 73.09	25,820.817	I	By Llano Development Inc. Profit Sharing Plan & Trust and Downey Financial Corp. Stock Purchase Plan
Common Stock	11/29/2006		S	300 D \$ 73.08	25,520.817	I	By Llano Development Inc. Profit

Common Stock	11/29/2006	S	800	D	\$ 73.02	24,720.817	I	Sharing Plan & Trust and Downey Financial Corp. Stock Purchase Plan By Llano Development Inc. Profit Sharing Plan & Trust and Downey Financial Corp. Stock Purchase Plan
Common Stock	11/29/2006	S	4,400	D	\$ 72.99	20,320.817	I	By Llano Development Inc. Profit Sharing Plan & Trust and Downey Financial Corp. Stock Purchase Plan
Common Stock	11/29/2006	S	493	D	\$ 73.05	19,827.817	I	By Llano Development Inc. Profit Sharing Plan & Trust and Downey Financial Corp. Stock Purchase Plan
Common Stock	11/30/2006	S	5,000.706	D	\$ 72.9	14,827.111	I	By Llano Development Inc. Profit Sharing Plan & Trust and Downey Financial Corp. Stock Purchase Plan
Common Stock	11/30/2006	S	7,818	D	\$ 72.57	7,009.111	I	By Llano Development Inc. Profit Sharing Plan & Trust and Downey

Common Stock	11/30/2006	S	100	D	\$ 72.83	6,909.111	I	Financial Corp. Stock Purchase Plan By Llano Development Inc. Profit Sharing Plan & Trust and Downey Financial Corp. Stock Purchase Plan By Llano Development Inc. Profit Sharing Plan & Trust and Downey Financial Corp. Stock Purchase Plan
Common Stock	11/30/2006	S	5,000	D	\$ 72.72	2,457.391 <sup>(1)</sup>	I	By Llano Development Inc. Profit Sharing Plan & Trust and Downey Financial Corp. Stock Purchase Plan

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 displays a currently valid OMB control number.**

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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. 6)
				Code V (A) (D)		Date Exercisable Expiration Date	Title Amount or Number of Shares		

