

NEW CENTURY FINANCIAL CORP

Form 3

April 03, 2006

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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INITIAL STATEMENT OF 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 *

Ä EINHORN DAVID
 (Last) (First) (Middle)

140 EAST 45TH STREET, Ä FLOOR 24

(Street)

NEW YORK, Ä NY Ä 10017

(City) (State) (Zip)

2. Date of Event Requiring Statement

(Month/Day/Year)
 03/31/2006

3. Issuer Name and Ticker or Trading Symbol
 NEW CENTURY FINANCIAL CORP [NEW]

4. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

5. 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 Beneficially Owned

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Common Stock, par value \$0.01 per share	2,713,800 ⁽¹⁾ ₍₂₎	I	See Footnote ⁽³⁾
Common Stock, par value \$0.01 per share	780,900 ⁽¹⁾ ₍₂₎	I	See Footnote ⁽⁴⁾

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

SEC 1473 (7-02)

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

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)	3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)	4. Conversion or Exercise Price of	5. Ownership Form of Derivative	6. Nature of Indirect Beneficial Ownership (Instr. 5)
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	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	Derivative Security	Security: Direct (D) or Indirect (I) (Instr. 5)	
Equity Swap	05/29/2009	05/29/2009	Common Stock	954,600 ⁽¹⁾ ₍₂₎	\$ 36.55 ⁽⁵⁾ ₍₆₎	I	See Footnote ⁽⁷⁾
Equity Swap	05/29/2009	05/29/2009	Common Stock	157,800 ⁽¹⁾ ₍₂₎	\$ 36.55 ⁽⁵⁾ ₍₆₎	I	See Footnote ⁽⁸⁾
Equity Swap	05/29/2009	05/29/2009	Common Stock	346,000 ⁽¹⁾ ₍₂₎	\$ 41.98 ⁽⁵⁾ ₍₆₎	I	See Footnote ⁽⁷⁾
Equity Swap	05/29/2009	05/29/2009	Common Stock	54,000 ⁽¹⁾ ₍₂₎	\$ 41.98 ⁽⁵⁾ ₍₆₎	I	See Footnote ⁽⁸⁾
Equity Swap	05/29/2009	05/29/2009	Common Stock	848,000 ⁽¹⁾ ₍₂₎	\$ 40.32 ⁽⁵⁾ ₍₆₎	I	See Footnote ⁽⁷⁾
Equity Swap	05/29/2009	05/29/2009	Common Stock	131,400 ⁽¹⁾ ₍₂₎	\$ 40.32 ⁽⁵⁾ ₍₆₎	I	See Footnote ⁽⁸⁾
Equity Swap	05/29/2009	05/29/2009	Common Stock	1,389,900 ⁽¹⁾ ₍₂₎	\$ 44.85 ⁽⁵⁾ ₍₆₎	I	See Footnote ⁽⁷⁾
Equity Swap	05/29/2009	05/29/2009	Common Stock	215,400 ⁽¹⁾ ₍₂₎	\$ 44.85 ⁽⁵⁾ ₍₆₎	I	See Footnote ⁽⁸⁾

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
EINHORN DAVID 140 EAST 45TH STREET FLOOR 24 NEW YORK, NY 10017	Â X	Â	Â	Â
GREENLIGHT CAPITAL LLC 140 EAST 45TH STREET FLOOR 24 NEW YORK, NY 10017	Â X	Â	Â	Â
GREENLIGHT CAPITAL INC 140 EAST 45TH STREET FLOOR 24 NEW YORK, NY 10017	Â X	Â	Â	Â
GREENLIGHT CAPITAL L P 140 EAST 45TH STREET FLOOR 24 NEW YORK, NY 10017	Â X	Â	Â	Â
GREENLIGHT CAPITAL QUALIFIED LP /NY 140 EAST 45TH STREET	Â X	Â	Â	Â

FLOOR 24
NEW YORK, NY 10017

Greenlight Capital Offshore, Ltd.
C/O GREENLIGHT CAPITAL, INC.
140 EAST 45TH STREET, FLOOR 24
NEW YORK, NY 10017

^ X ^ ^ ^

DME Advisors GP, L.L.C.
140 EAST 45TH STREET
FLOOR 24
NEW YORK, NY 10017

^ X ^ ^ ^

DME Advisors, LP
140 EAST 45TH STREET
FLOOR 24
NEW YORK, NY 10017

^ X ^ ^ ^

Signatures

/s/ David Einhorn		04/03/2006
	**Signature of Reporting Person	Date
/s/ David Einhorn, Senior Managing Member of Greenlight Capital, L.L.C.		04/03/2006
	**Signature of Reporting Person	Date
/s/ David Einhorn, President of Greenlight Capital, Inc.		04/03/2006
	**Signature of Reporting Person	Date
/s/ David Einhorn, Senior Managing Member of Greenlight Capital, L.L.C., General Partner of Greenlight Capital, L.P.		04/03/2006
	**Signature of Reporting Person	Date
/s/ David Einhorn, Senior Managing Member of Greenlight Capital, L.L.C., General Partner of Greenlight Capital Qualified, L.P.		04/03/2006
	**Signature of Reporting Person	Date
/s/ David Einhorn, President of Greenlight Capital, Inc., Investment Advisor of Greenlight Capital Offshore, Ltd.		04/03/2006
	**Signature of Reporting Person	Date
/s/ David Einhorn, Senior Managing Member of DME Advisors GP, L.L.C.		04/03/2006
	**Signature of Reporting Person	Date
/s/ David Einhorn, Senior Managing Member of DME Advisors GP, L.L.C., General Partner of DME Advisors, L.P.		04/03/2006
	**Signature of Reporting Person	Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 5(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) The filing of this Form 3 shall not be construed as an admission that David Einhorn, the senior managing member of Greenlight Capital, L.L.C. ("Greenlight LLC") and DME Advisors GP, LLC ("DME GP") and the president of Greenlight Capital, Inc. ("Greenlight Inc."), or any of the Greenlight Parties (as defined below) is or was for the purposes of Section 16(a) of the Securities Exchange Act of 1934, as amended, or otherwise the beneficial owner of any of the shares of common stock, par value \$0.01 per share (the "Common Stock"), of

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New Century Financial Corporation ("New Century"), owned by Greenlight Capital, L.P. ("Greenlight Fund") or Greenlight Capital Qualified, L.P. ("Greenlight Qualified") or equity-based cash-settled swap contracts held by Greenlight Capital Offshore, Ltd. ("Greenlight Offshore") or the managed account (the "DME Account") advised by DME Advisors, LP ("DME").

- (2) Pursuant to Rule 16a-1, each of Mr. Einhorn and the Greenlight Parties disclaims beneficial ownership except to the extent of their respective pecuniary interests. This Form 3 is being filed by the Greenlight Parties solely because they could be deemed directors by deputization as a result of Mr. Einhorn serving on New Century's Board of Directors.

- (3) Greenlight LLC controls the voting and disposition of 2,713,800 shares of Common Stock through the account of Greenlight Qualified, of which Greenlight LLC is the general partner. Greenlight LLC receives an allocation of net profits from and owns a partnership interest in Greenlight Qualified. Mr. Einhorn reports the shares held indirectly by Greenlight LLC because, as the senior managing member of Greenlight LLC at the time of purchase, Mr. Einhorn controlled the disposition and voting of the securities.

- (4) Greenlight LLC controls the voting and disposition of 780,900 shares of Common Stock through the account of Greenlight Fund, of which Greenlight LLC is the general partner. Greenlight LLC receives an allocation of net profits from and owns a partnership interest in Greenlight Fund. Mr. Einhorn reports the shares held indirectly by Greenlight LLC because, as the senior managing member of Greenlight LLC at the time of purchase, Mr. Einhorn controlled the disposition and voting of the securities. Additionally, Mr. Einhorn owns a limited partnership interest in Greenlight Fund.

- (5) Greenlight Offshore and the DME Account (each a "Greenlight Counterparty") entered into cash-settled equity-based swap agreements with independent bank counterparties covering the "underlying securities" set forth above for each contract (the "Shares") pursuant to which, on the expiration date of the agreement (May 29, 2009), one of the following shall occur: (i) if the volume weighted average market price (the "VWAP") of the Common Stock on such date is above the "exercise price" set forth above, the bank counterparty will pay each Greenlight Counterparty an amount equal to the difference between the VWAP and the "exercise price" times the number of Shares, (ii) if the VWAP is less than the "exercise price," each Greenlight Counterparty will pay the bank counterparty an amount equal to the difference between the "exercise price" and the VWAP times the number of Shares, or (iii) if the VWAP equals the "exercise price," no payment will be made by either party.

- (6) Additionally, during the term of each agreement, an amount equal to any dividends payable on the Shares will be paid in cash by the bank to each Greenlight Counterparty, less applicable withholding taxes. Each Greenlight Counterparty must pay during the term of each agreement to the bank counterparty an amount equal to the product of (a) the Shares, multiplied by (b) the "exercise price," multiplied by (c) an annual rate of interest of the one day federal funds rate plus fifty basis points.

- (7) Greenlight Offshore is a party to swap agreements relating to an aggregate of 3,538,500 shares of Common Stock. Greenlight Inc. is the investment advisor of Greenlight Offshore and receives an asset-based fee and an annual fee based on the appreciation of Greenlight Offshore. Mr. Einhorn is the president of Greenlight Inc. Additionally, Mr. Einhorn indirectly owns shares of Greenlight Offshore.

- (8) The DME Account is a party to swap agreements relating to an aggregate of 558,600 shares of Common Stock. DME is the investment advisor of the DME Account and receives an asset-based fee and an annual fee based on the appreciation of the DME Account. Mr. Einhorn is the senior managing member of DME GP, the general partner of DME.

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Remarks:

This report is being jointly filed by Greenlight Capital, L.L.C., Greenlight Capital, Inc., Greenlight Capital Qualified, L.P., Greenlight Capital Offshore, Ltd., DME Advisors GP, LLC and DME Advisors, LP (the "Greenlight Parties") and David Einhorn, solely because the Greenlight Parties could be deemed directors by deputization as a result of Mr. Einhorn serving on New Century Financial Corporation's Board of Directors.

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.