ACA Capital Holdings Inc Form 4 February 23, 2007

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB

OMB APPROVAL

Number:

3235-0287 January 31,

2005

0.5

Expires:

Estimated average burden hours per

response...

if no longer subject to Section 16. Form 4 or Form 5 obligations

may continue.

See Instruction

Check this box

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

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * Smith Robert M	2. Issuer Name and Ticker or Trading Symbol	5. Relationship of Reporting Person(s) to Issuer		
(Last) (First) (Middle)	ACA Capital Holdings Inc [ACA] 3. Date of Earliest Transaction	(Check all applicable)		
C/O ACA CAPITAL HOLDINGS, INC., 140 BROADWAY	(Month/Day/Year) 02/21/2007	Director 10% Owner Officer (give titleX Other (specification) below) See Remarks Below		
(Street)	4. If Amendment, Date Original Filed(Month/Day/Year)	6. Individual or Joint/Group Filing(Check Applicable Line) _X_ Form filed by One Reporting Person		
NEW YORK, NY 10005		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)	Code (Instr. 8)	omr Dispos (Instr. 3,	(A)	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)	
Common Stock	02/21/2007		Code V M	Amount 36,480	(D)	Price \$ 10.225	41,232.6	D		
Common Stock	02/21/2007		S	1,200	D	\$ 15.81	40,032.6	D		
Common Stock	02/21/2007		S	18,800	D	\$ 15.8	21,232.6	D		
Common Stock	02/21/2007		S	4,200	D	\$ 16	17,032.6	D		
Common Stock	02/21/2007		S	800	D	\$ 16.01	16,232.6	D		

Edgar Filing: ACA Capital Holdings Inc - Form 4

Common Stock	02/22/2007	S	3,100	D	\$ 15.85 13,132.6	D
Common Stock	02/23/2007	S	1,480	D	\$ 16 11,652.6	D
Common Stock	02/23/2007	S	300	D	\$ 15.95 11,352.6	D
Common Stock	02/23/2007	S	100	D	\$ 15.94 11,252.6	D
Common Stock	02/23/2007	S	300	D	\$ 15.93 10,952.6	D
Common Stock	02/23/2007	S	500	D	\$ 15.92 10,452.6	D
Common Stock	02/23/2007	S	300	D	\$ 15.91 10,152.6	D
Common Stock	02/23/2007	S	1,700	D	\$ 15.9 8,452.6	D
Common Stock	02/23/2007	S	700	D	\$ 15.89 7,752.6	D
Common Stock	02/23/2007	S	200	D	\$ 15.85 7,552.6	D
Common Stock	02/23/2007	S	100	D	\$ 15.8 7,452.6	D
Common Stock	02/23/2007	S	100	D	\$ 15.79 7,352.6	D
Common Stock	02/23/2007	S	400	D	\$ 15.78 6,952.6	D
Common Stock	02/23/2007	S	2,000	D	\$ 15.76 4,952.6	D
Common Stock	02/23/2007	S	200	D	\$ 15.75 4,752.6	D

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.

SEC 1474 (9-02)

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

Security o		3. Transaction Date (Month/Day/Year)		Transactio Code	orDerivative Securities	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	_
------------	--	--------------------------------------	--	--------------------	----------------------------	--	---	---

Edgar Filing: ACA Capital Holdings Inc - Form 4

Derivative or Disposed of Security (D)

(Instr. 3, 4, and 5)

Code V (A) (D) Date Expiration Title Amount

Exercisable Date

or Number of Shares

Stock

Option (Right to \$10.225 02/21/2007 M 36,480 (1) 03/31/2010 Common Stock 36,480

Buy)

Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

Smith Robert M C/O ACA CAPITAL HOLDINGS, INC. 140 BROADWAY NEW YORK, NY 10005

See Remarks Below

Signatures

/s/ Joanne Park, Attorney-in-Fact

**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) This option vested in full on March 31, 2004.

Remarks:

The reporting person may be deemed a member of a Section 13(d) "group" pursuant to the issuer's stockholders agreement. The 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.

Reporting Owners 3