

APRIA HEALTHCARE GROUP INC
 Form 4
 January 03, 2008

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 *
MASTROVICH LAWRENCE A

2. Issuer Name and Ticker or Trading Symbol
APRIA HEALTHCARE GROUP INC [AHG]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)
 12/31/2007

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
 President & COO

C/O APRIA HEALTHCARE GROUP INC., 26220 ENTERPRISE COURT

(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

LAKE FOREST, CA 92630

(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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|--|
| | | | Code | V Amount (A) or (D) Price | | | |
| Common Stock | 12/31/2007 | | M ⁽¹⁾ | 10,535 ⁽¹⁾ A \$ 0.001 | 77,029 ⁽²⁾ | D | |
| Common Stock | 12/31/2007 | | F | 4,819 D \$ 21.57 | 72,210 ⁽²⁾ | D | |

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

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SEC 1474 (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 Security (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| Restricted Stock Units ⁽³⁾ | \$ 0.001 | 12/31/2007 | | M ⁽⁴⁾ | 10,535 ⁽⁴⁾ | 12/31/2007 ⁽⁴⁾ 12/31/2007 | Common Stock 10,5 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|-----------------|-------|
| | Director | 10% Owner | Officer | Other |
| MASTROVICH LAWRENCE A C/O APRIA HEALTHCARE GROUP INC. 26220 ENTERPRISE COURT LAKE FOREST, CA 92630 | | | President & COO | |

Signatures

/s/ Lawrence A. Mastrovich by Raoul Smyth,
Attorney-In-Fact

01/03/2008

**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) Vesting and issuance of common stock under restricted stock units ("RSUs") granted under the Issuer's 2003 Performance Incentive Plan on March 7, 2006. Each RSU represents a contingent right to receive one share of the Issuer's common stock.
- (2) Includes 40,000 shares of unvested restricted stock.
- (3) RSUs earned under the terms of a grant made under the Issuer's 2003 Performance Incentive Plan on March 7, 2006.
- (4) On February 15, 2007, the Compensation Committee of the Issuer's Board of Directors determined that the pre-determined performance measures for the one-year period ending on December 31, 2006, which are applicable to the RSU grant made on March 7, 2006, were met at a level that caused an additional 10,535 RSUs to be issued with the related shares of common stock to be delivered immediately and an additional 10,535 RSUs to be issued for which the related common stock became deliverable on December 31, 2007.
- (5) RSUs issued on March 7, 2006 which will vest with the related Common Stock to become deliverable on December 31, 2008.

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.