

HUNTER JAMES
Form 4
November 22, 2005

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)
1670 LA FORCE ROAD
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
11/21/2005

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

ALPINE, CA 91901

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

(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) | | | |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|------------|---|---|
| | | | Code | V | Amount (A) or Price (D) | | | | | |
| Common Stock | 11/21/2005 | | S | | 500 | D | \$ 63.35 | 87,915.577 | I | By Llano Development Inc. Profit Sharing Plan and Trust |
| Common Stock | 11/21/2005 | | S | | 19,500 | D | \$ 63 | 68,415.577 | I | By Llano Development Inc. Profit Sharing Plan & Trust |
| Common Stock | 11/22/2005 | | S | | 20,000 | D | \$ 64.67 | 48,949.195 | I | By Llano Development |

Inc. Profit
 Sharng 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.

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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. 5) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|--|
| | | | | 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 |
| HUNTER JAMES 1670 LA FORCE ROAD ALPINE, CA 91901 | | X | | |

Signatures

Shannon Monahan,
 Attorney-in-Fact
 11/22/2005
 **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) Between January 1 and November 21, 2005, the reporting person acquired 972.132 shares of Downey Financial Corp. common stock under the Downey Financial Corp. Stock Purchase Plan. The information in this report is based on a plan statement dated as of 11/1/05.

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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