

Sonderby Michael M  
 Form 4  
 November 02, 2007

**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 \*  
 Sonderby Michael M

2. Issuer Name and Ticker or Trading Symbol  
 CLAYTON HOLDINGS INC  
 [CLAY]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

CLAYTON HOLDINGS, INC., 2  
 CORPORATE DRIVE

3. Date of Earliest Transaction (Month/Day/Year)  
 10/31/2007

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

(Street)

SHELTON, CT 06484

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 Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)		
				(A) or (D)	Code	V	Amount	(D)	Price

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)**

1. Title of Derivative	2. Conversion	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if	4. Transaction	5. Number of Derivative	6. Date Exercisable and Expiration Date	7. Title and Amount of Underlying Securities	8. Pr
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Security (Instr. 3)	or Exercise Price of Derivative Security	any (Month/Day/Year)	Code (Instr. 8)	Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	(Month/Day/Year)	(Instr. 3 and 4)	Secu (Inst		
			Code V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Deferred Stock Units	(1)	10/31/2007	A	208.33		(1)	(1)	Common Stock	208.33 \$

**Reporting Owners**

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Sonderby Michael M CLAYTON HOLDINGS, INC. 2 CORPORATE DRIVE SHELTON, CT 06484	X			

**Signatures**

/s/ Steven L. Cohen,  
Attorney-in-Fact  
Date: 11/02/2007

\_\_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) Reports the number of Deferred Stock Units credited to the account of Mr. Sonderby on October 31, 2007 pursuant to the Clayton Holdings, Inc. Amended and Restated Non-Employee Directors' Compensation Plan and the Clayton Holdings, Inc. 2006 Stock Option and Incentive Plan. Each Deferred Stock Unit is the economic equivalent of one share of common stock. These units will be paid out in the form of shares of common stock upon Mr. Sonderby's retirement or other termination of service as a director of the Company.

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.