

APRIA HEALTHCARE GROUP INC
 Form 4
 February 20, 2007

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 *
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)
02/15/2007

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
President and 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 Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| Common Stock | 02/15/2007 | | <u>M</u> ⁽¹⁾ | V Amount <u>10,535</u> ⁽¹⁾ Price \$ 0.001 | 63,949 | 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)

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| 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 Underlying Security (Instr. 3 and 4) | | | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|---------------------------|-----------------|--------------|
| | | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title |
| Restricted Stock Units ⁽²⁾ | \$ 0.001 | 02/15/2007 | | A ⁽³⁾ | | 21,070 ⁽³⁾ | | 02/15/2007 ⁽³⁾ | 12/31/2007 | Common Stock |
| Restricted Stock Units ⁽²⁾ | \$ 0.001 | 02/15/2007 | | M ⁽³⁾ | | 10,535 ⁽³⁾ | | 02/15/2007 | 02/15/2007 | Common Stock |
| Restricted Stock Units ⁽⁵⁾ | \$ 0.001 | 02/15/2007 | | D ⁽⁵⁾ | | 2,264 ⁽⁵⁾ | | 02/15/2007 | 02/15/2007 | Common Stock |

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 and COO | |

Signatures

| | |
|--|------------|
| Lawrence A. Mastrovich by Raoul Smyth, Attorney-In-Fact | 02/20/2007 |
| ⁽²⁾ 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) RSUs earned under the terms of a grant made under the Issuer's 2003 Performance Incentive Plan on March 7, 2006.
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 is to become deliverable on December 31, 2007.
- (3) Includes the 11,666 RSUs issued on March 7, 2006 which will vest with the related common stock to become deliverable on December 31, 2008.
- (4) The Committee also determined that the pre-determined performance measures were not met for the issuance of an additional 2,264 RSUs which could have been issued under the March 7, 2006 grant.

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