

KARKENNY CHRIS A.
Form 4
March 04, 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 *
KARKENNY CHRIS 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)
02/29/2008

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
Executive VP & CFO

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 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.

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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 Amount of Underlying Security (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| Stock Appreciation Rights ⁽¹⁾ | \$ 21.71 ⁽²⁾ | 02/29/2008 | | A | 63,580 | 02/28/2009 ⁽³⁾ 02/28/2018 | Common Stock 6 |
| Restricted Stock Units ⁽⁴⁾ | \$ 0.001 | 02/29/2008 | | A | 41,740 | 02/18/2009 ⁽⁵⁾ 12/31/2010 | Common Stock 4 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|--------------------|-------|
| | Director | 10% Owner | Officer | Other |
| KARKENNY CHRIS A. C/O APRIA HEALTHCARE GROUP INC. 26220 ENTERPRISE COURT LAKE FOREST, CA 92630 | | | Executive VP & CFO | |

Signatures

| | |
|---|---------------------|
| /s/ Chris A. Karkenny by Raoul Smyth, Attorney-In-Fact | 03/04/2008 |
| <small>**Signature of Reporting Person</small> | <small>Date</small> |

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) Grant of stock appreciation rights ("SARs") under the Issuer's 2003 Performance Incentive Plan. Each SAR, subject to vesting and exercise, represents the right of the reporting person to receive shares of the Issuer's Common Stock equal in value to the amount determined by subtracting the Base Price of the SAR from the per share value of the Common Stock of the Issuer as of the date of exercise.
- (2) This represents the Base Price of each SAR.
- (3) The SAR vests in four equal 15,895 share increments on February 28, 2009, February 28, 2010, February 28, 2011, and February 29, 2012.
- (4) Restricted stock units granted under the Issuer's 2003 Performance Incentive Plan. Each restricted stock unit represents a contingent right to receive one share of the Issuer's common stock.
- (5) This grant will vest as to 13,914 shares and be paid on December 31, 2010 subject only to the reporting person's continued employment with the Issuer through that date. If certain pre-determined performance measures are achieved for the one-year period ending on December 31, 2008, up to an additional 13,913 shares will vest and be issued to the reporting person on February 18, 2009, or as soon thereafter as the achievement can practicably be determined, and up to an additional 13,913 shares will vest and be issued to the reporting

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person on February 18, 2010.

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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