

DANIELSON HOLDING CORP  
 Form 4  
 September 21, 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 \*  
 ZELL SAMUEL

2. Issuer Name and Ticker or Trading Symbol  
 DANIELSON HOLDING CORP  
 [DHC]

5. Relationship of Reporting Person(s) to Issuer  
 (Check all applicable)

(Last) (First) (Middle)  
 TWO N. RIVERSIDE PLAZA,  
 SUITE 600  
 (Street)  
 CHICAGO, IL 60606  
 (City) (State) (Zip)

3. Date of Earliest Transaction  
 (Month/Day/Year)  
 09/19/2005

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

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

**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)
			Code	V	Amount	(A) or (D)	Price
Common Stock, \$.10 par value	09/19/2005		A		1,500	A	\$ 0
Common Stock, \$.10 par value					25,418	I (1)	By spouse, as Trustee of Helen Zell Revocable Trust
Common Stock, \$.10					23,176,282	I (2)	By trusts

par value

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)	Amount or Number of Shares
Stock Option (right to buy)	\$ 12.9	09/19/2005		A	13,334	03/19/2006 09/19/2015	Common Stock	13,334

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
ZELL SAMUEL TWO N. RIVERSIDE PLAZA, SUITE 600 CHICAGO, IL 60606				X

## Signatures

/s/ Samuel Zell                      09/20/2005  
 \*\*Signature of                      Date  
 Reporting Person

## 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) Such shares of Common Stock are beneficially owned by the Helen Zell Revocable Trust ("HZRT"). Samuel Zell's spouse, Helen Zell, is the trustee of HZRT. Samuel Zell disclaims beneficial ownership of such shares held by HZRT except to the extent of his pecuniary interest therein.
- (2) Such shares of Common Stock are beneficially owned by SZ Investments, L.L.C. ("SZ"), EGI-Fund (05-07) Investors, L.L.C. ("Fund 05-07") and Equity Group Investments, L.L.C. ("EGI"). SZ, Fund 05-07, and EGI are each indirectly controlled by various trusts

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established for the benefit of Samuel Zell and his family, the trustee of each of which is Chai Trust Company, L.L.C. ("Chai Trust"). Samuel Zell is not a director or officer of Chai Trust and disclaims beneficial ownership of all such shares of Common Stock, except to the extent of his pecuniary interest therein.

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.