

SECURITIES AND EXCHANGE COMMISSION

FORM 4

Statement of changes in beneficial ownership of securities

Filing Date: **2009-01-26** | Period of Report: **2009-01-22**
SEC Accession No. **0001181431-09-004857**

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ISSUER

DIEDRICH COFFEE INC

CIK: **947661** | IRS No.: **330086628** | State of Incorpor.: **CA** | Fiscal Year End: **0627**
SIC: **5400** Food stores

Mailing Address
28 EXECUTIVE PARK
SUITE 200
IRVINE CA 92614

Business Address
28 EXECUTIVE PARK
SUITE 200
IRVINE CA 92614
9492601600

REPORTING OWNER

HEESCHEN PAUL C

CIK: **1038518**
Type: **4** | Act: **34** | File No.: **000-21203** | Film No.: **09546508**

Mailing Address
450 NEWPORT CENTER
DRIVE
STE 450
NEWPORT BEACH CA 92660

Business Address
450 NEWPORT CENTER
DRIVE
SUITE 450
NEWPORT BEACH CA 92660
7146441850

FORM 4

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

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

1. Name and Address of Reporting Person HEESCHEN PAUL C			2. Issuer Name and Ticker or Trading Symbol DIEDRICH COFFEE INC [DDRX]			5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director <input checked="" type="checkbox"/> 10% Owner <input type="checkbox"/> Officer (give title) <input type="checkbox"/> Other (specify below)		
(Last)	(First)	(Middle)	3. Date of Earliest Transaction (Month/Day/Year) 01/22/2009			6. Individual or Joint/Group Filing (Check applicable line) <input checked="" type="checkbox"/> Form Filed by One Reporting Person <input type="checkbox"/> Form Filed by More than One Reporting Person		
450 NEWPORT CENTER DRIVE, SUITE 450			4. If Amendment, Date Original Filed(Month/Day/Year)					
(Street) NEWPORT BEACH, CA 92660								
(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 (D)			

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 Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date						Title
Employee Stock Option (right to buy)	\$0.54	01/22/2009		A		15,000		(1)	01/22/2019	Common Stock	15,000	\$ 0	15,000	D	

Explanation of Responses:

1. The options vest and become exercisable on the earlier of (i) the first anniversary of the grant date and (ii) immediately prior to the annual meeting of stockholders following the grant date.

Signatures

/s/ Paul C. Heesch

** Signature of Reporting Person

01/26/2009

Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* 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).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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 Number.