

BARONE RICHARD A  
Form 4  
June 28, 2006

**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 \*  
BARONE RICHARD A

(Last) (First) (Middle)

ONE CHAGRIN  
HIGHLANDS, 2000 AUBURN  
DRIVE SUITE 420

(Street)

CLEVELAND, OH 44122

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
STEPHAN CO [TSC]

3. Date of Earliest Transaction  
(Month/Day/Year)  
06/26/2006

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

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 Indirect Ownership (Instr. 4) |                        |  |                        |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|--|------------------------|--|------------------------|
|                                 |                                      |  | Code                           | V   | Amount or Price   |  |  |                        |  |                        |
| Shares of Common Stock          | 06/26/2006                           |  | S                              |   | 48,900 <sup>(1)</sup>   | D  | \$ 3.2 0                                   | I                      | By Ancora Special Opportunity Fund (Mutual Fund) |                        |
| Shares of Common Stock          | 06/26/2006                           |  | P                              |   | 37,000  | A  | \$ 3.192                                   | 100,001 <sup>(1)</sup> | I  | By Merlin Partners, LP |
| Shares of Common                | 06/26/2006                           |  | P                              |   | 10,000  | A  | \$ 3.192                                   | 10,000 <sup>(1)</sup>  | I  | By Ancora Partners,    |

|           |            |  |   |       |   |       |        |   |  |     |
|-----------|------------|--|---|-------|---|-------|--------|---|--|-----|
| Stock     |            |  |   |       |   |       |        |   |  | LLC |
| Shares of |            |  |   |       |   |       |        |   |  |     |
| Common    | 06/26/2006 |  | P | 5,500 | A | \$    | 30,000 | D |  |     |
| Stock     |            |  |   |       |   | 3.192 |        |   |  |     |

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) | 8. Price or Value of Underlying Securities (Instr. 3 and 4) |                            |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|---|----------------------------|
|  |  |                                      |  |                                |   | Date Exercisable   | Expiration Date   | Title   | Amount or Number of Shares |
|  |  |                                      |  |                                |   | Code   | V (A) (D)   |   |                            |
| Stock Options                              | \$ 3.99  |                                      |  |                                |   | 09/29/2006 09/29/2010                                    | Shares of Common Stock  | 5,062   |                            |

## Reporting Owners

| Reporting Owner Name / Address  | Relationships |           |         |       |
|---|---------------|-----------|---------|-------|
|   | Director      | 10% Owner | Officer | Other |
| BARONE RICHARD A<br>ONE CHAGRIN HIGHLANDS<br>2000 AUBURN DRIVE SUITE 420<br>CLEVELAND, OH 44122 | X             |           |         |       |

## Signatures

/s/ Richard A.  
Barone

06/28/2006

Date

Signature of  
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).  

Mr. Barone is the majority owner of Ancora Advisors, LLC, which has an investment management agreement with The Ancora Special Opportunity Fund and is General Partner of Merlin Partners, LP. Further, Mr. Barone is the Managing Partner of Ancora Partners, LLC, which is an affiliate of Ancora Advisors, LLC. Reported shares do not include shares held by accounts managed by Mr. Barone that are charged a management fee only, with the exception of the Ancora Special Opportunity Fund, of which Mr. Barone owns shares. The reporting person disclaims beneficial ownership of these securities except to the extent of his pecuniary interest therein, and the inclusion of these shares shall not be deemed an admission of beneficial ownership of all of the reported shares for purposes of Section 16 or for any other purpose.

### Remarks:

Mr. Barone and entitites controlled by or associated with Mr. Barone, sold 48,900 shares of TSC common stock and purchased

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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