

BARONE RICHARD A  
Form 5  
February 17, 2010

**FORM 5**

**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).  
Form 3 Holdings Reported Form 4 Transactions Reported

**ANNUAL 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

1. Name and Address of Reporting Person \*  
BARONE RICHARD A

(Last) (First) (Middle)

ONE CHAGRIN  
HIGHLANDS, 2000 AUBURN  
DRIVE SUITE 300

(Street)

CLEVELAND, OH 44122

(City) (State) (Zip)

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

3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)  
12/31/2009

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 Reporting

(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) |        |        | 5. Amount of Securities Beneficially Owned at end of Issuer's Fiscal Year (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|--------|--------|--|--|-----------------------------------|
|                                 |                                      |  |                                | (A) Amount                                    | or (D) | Price  |  |  |                                   |
| Shares of Common Stock          |                                      |  |                                |   |        |        | 107,601 <sup>(1)</sup>   | I  | By Merlin Partners, LP            |
| Shares of Common Stock          | 12/08/2009                           |  | S4                             | 10,000  | D      | \$ 2.7 | 0 <sup>(1)</sup>   | I  | By Ancora Partners, LLC           |
| Shares of Common                | 12/08/2009                           |  | P4                             | 10,000  | A      | \$ 2.7 | 50,000   | D  |                                   |

Stock

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) |     | 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 |
|--|--|--------------------------------------|--|--------------------------------|--|-----|--|-----------------|---|----------------------------|
|  |  |                                      |  |                                | (A)  | (D) | Date Exercisable   | Expiration Date |   |                            |
| Options to Buy                             | \$ 3.99  | Â                                    | Â  | Â                              | Â  | Â   | 09/29/2006   | 09/29/2010      | Common Stock  | 5,062                      |
| Options to Buy                             | \$ 3.15  | Â                                    | Â  | Â                              | Â  | Â   | 06/30/2007   | 06/30/2011      | Common Stock  | 5,062                      |
| Options to Buy                             | \$ 3.8   | 06/30/2007                           | Â  | A                              | 5,062  | Â   | 06/30/2008   | 06/30/2012      | Common Stock  | 5,062                      |
| Options to Buy                             | \$ 3.18  | 06/30/2008                           | Â  | A                              | 5,062  | Â   | 06/30/2009   | 06/30/2013      | Common Stock  | 5,062                      |
| Options to Buy                             | \$ 2.4   | 06/30/2009                           | Â  | A                              | 5,062  | Â   | 06/30/2010   | 06/30/2014      | 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 300<br>CLEVELAND, OH 44122 | Â X           | Â         | Â       | Â     |

## Signatures

/s/ Richard A.  
Barone

02/17/2010

\*\*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).

Mr. Barone is the majority owner of Ancora Advisors, LLC, which 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 (1) by accounts managed by Mr. Barone that are charged a management fee only. 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.

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### Remarks:

DueÂ toÂ IssuerÂ filingÂ FormÂ 15Â onÂ 12/28/2009,Â ReportingÂ PersonÂ noÂ longerÂ subjectÂ toÂ SectionÂ 16Â vis

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