

STEPAN CO
Form 4
January 25, 2007

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 *
STEPAN F QUINN JR

(Last) (First) (Middle)
22 W. FRONTAGE ROAD
(Street)

NORTHFIELD, IL 60093

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
STEPAN CO [SCL]

3. Date of Earliest Transaction
(Month/Day/Year)
01/23/2007

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)
President & CEO

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 Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock	01/23/2007		J		2,335.2098	A	① 62,105.436
Common Stock	01/23/2007		J		518,359	D	② 415,566

Member of Plan Committee of Stepan Company

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form

SEC 1474 (9-02)

displays a currently valid OMB control number.

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 Security (Instr. 3 and 4)	Am Nur Sha	
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title	
5-1/2% Convertible Preferred Stock	(3)	01/23/2007		J	553.7363	08/08/1988	08/08/1988	Common Stock	63

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
STEPAN F QUINN JR 22 W. FRONTAGE ROAD NORTHFIELD, IL 60093	X		President & CEO	

Signatures

F. Quinn Stepan, Jr. 01/25/2007

**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).
- (1) Number of common stock shares allocated to reporting person's account on January 23, 2007, under the Employee Stock Ownership Plan II (ESOP II) established by Stepan Company. A total of 407,920 unallocated common stock shares was transferred to the ESOP II from the Stepan Company Profit Sharing Plan on December 27, 2006.
- (2) Member of Plan Committee of Stepan Company, which has oversight responsibility over investments of funds of employee benefit programs. Amount represents number of Stepan Company stock shares transferred from the Stepan Company Profit Sharing Plan to the Employee Stock Ownership Plan II (ESOP II) on December 27, 2006.
- (3) Number of preferred stock shares allocated to reporting person's account on January 23, 2007, under the Employee Stock Ownership Plan II (ESOP II) established by Stepan Company. A total of 96,728 unallocated preferred stock shares was transferred to the ESOP II from the Stepan Company Profit Sharing Plan on December 27, 2006. The preferred stock conversion rate is 1.14175 shares of common stock for each share of preferred stock.

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.