

NAVISITE INC
Form 4
June 20, 2008

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 *
ATLANTIC INVESTORS LLC

(Last) (First) (Middle)
20 EAST 66TH STREET
(Street)
NEW YORK, NY 10021
(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
NAVISITE INC [NAVI]

3. Date of Earliest Transaction (Month/Day/Year)
06/18/2008

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

6. Individual or Joint/Group Filing (Check Applicable Line)
X 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 | 06/18/2008 ⁽¹⁾⁽²⁾ | | J ⁽¹⁾⁽²⁾ | | 1,254,800 | D | <u>(1)</u> <u>(2)</u> |
| | | | | | 13,841,028 | D | |

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 displays a currently valid OMB control number.

SEC 1474
(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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| 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 of Derivative Security (Instr. 5) | 9. Nu Deriv Secur Bene Own Follo Repo Trans (Instr |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|--|
| | | | | | | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| ATLANTIC INVESTORS LLC 20 EAST 66TH STREET NEW YORK, NY 10021 | | X | | |

Signatures

Atlantic Investors LLC, By: Unicorn Worldwide Holdings Limited, a Managing Member, 06/18/2008
 By: /s/ Simon McNally, Director

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).
- The Reporting Person files this Form 4 to disclose that it has terminated all borrowing facilities that used some of the Issuer's shares owned by the Reporting Person as collateral. The Reporting Person has terminated its arrangements with a lender from which it had borrowed \$6.5 million on a limited recourse basis. The lender has informed the Reporting Person that it has sold the 1,254,800 shares of
- (1) the Issuer (the "Loan Shares") the lender was holding in connection with the loan, which was otherwise without recourse to the Reporting Person, but the lender did not disclose to the Reporting Person the date and the price of the sale. The Reporting Person did not authorize such sale, has determined not to do any further business with such lender, and is investigating its legal rights and remedies with respect to such lender's unauthorized sale of the Loan Shares (See Footnote 2).
- The Reporting Person is reporting such unauthorized sale by lender as a non-sale disposition as of June 18, 2008, the date it has
- (2) determined not to repay such loan. This Form 4 discloses the Reporting Person's current holdings of the Issuer's shares, none of which is subject to any lending or other security arrangements.

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.