

Stone Arcade Acquisition CORP
 Form 4
 December 13, 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 *
 STONE ROGER W

2. Issuer Name and Ticker or Trading Symbol
 Stone Arcade Acquisition CORP
 [SCDE,SCDEW]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction
 (Month/Day/Year)
 11/30/2006

Director 10% Owner
 Officer (give title below) Other (specify below)
 Chairman of the Board and CEO

C/O STONE-KAPLAN INVESTMENTS, LLC, ONE NORTHFIELD PLAZA, SUITE 480

(Street)

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

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

NORTHFIELD, IL 60093

(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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | | (A) or (D) | Price | | |
| Common Stock, \$.0001 par value | 11/30/2006 | | G | D | 130,000 | D | |
| Common Stock, \$.0001 par value | 11/30/2006 | | G | A | 130,000 | I | See Footnote (2) |

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)

| 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) |
|--|--|--------------------------------------|--|--------------------------------|---|---|---------|--|------------------|---|
| | | | | | Code | V | (A) | (D) | Date Exercisable | |
| Common Stock Warrants (rights to purchase) | \$ 5 | 11/30/2006 | | G | | | 260,000 | (3) | 08/15/2009 | Common Stock |
| Common Stock Warrants (rights to purchase) | \$ 5 | 11/30/2006 | | G | | | 260,000 | (3) | 08/15/2009 | Common Stock |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|-------------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| STONE ROGER W C/O STONE-KAPLAN INVESTMENTS, LLC ONE NORTHFIELD PLAZA, SUITE 480 NORTHFIELD, IL 60093 | X | X | Chairman of the Board and CEO | |

Signatures

Roger W. Stone 12/13/2006

__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) The securities were gifted by the Reporting Person to the Roger and Susan Stone Family Foundation. No consideration was received.
 - (2) As Trustee of the Roger and Susan Stone Family Foundation. The Reporting Person exercises voting and investment power with respect to the securities, but has no pecuniary interest in the securities held by the foundation.

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(3) The warrants will become exercisable upon the completion by the Company of a business combination with a target business.

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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