

ATLANTIC INVESTORS LLC
 Form 4
 December 28, 2006

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549**

OMB APPROVAL

OMB Number: 3235-0287
 Expires: January 31, 2005
 Estimated average burden hours per response... 0.5

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

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
 20 EAST 66TH STREET
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 07/10/2006

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

NEW YORK, NY 10021
 (City) (State) (Zip)

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

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) | Code V Amount (D) Price | | |

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

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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 | 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 | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Security (Instr. 3 and 4) |
|--------------------------------------------|------------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|----------------------------------------------------|----------------------------------------------------------|-------------------------------------------------------------|
|--------------------------------------------|------------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|----------------------------------------------------|----------------------------------------------------------|-------------------------------------------------------------|

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| Derivative Security | | | Disposed of (D) (Instr. 3, 4, and 5) | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title | Am Nur Sha |
|---------------------|---------|---------------------------|-----------------------------------------|--|------|---|-----|-----|------------------|-----------------|--------------|------------------|
| | | | | | | | | | | | | |
| 8% Promissory Note | \$ 2.81 | 07/10/2006 ⁽¹⁾ | | | P | | | | 07/10/2006 | 07/10/2011 | Common Stock | 1,3 |

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: Madison Technology LLC, Mng Mbr, By: /s/ Arthur Becker, Mng Dir 12/28/2006

__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 8% Promissory Note (the "Note") including principal and accrued interest on the Note became convertible on July 10, 2006 as a result of the nonpayment of the Note by such date. The amount of the derivative security reported herein represents the principal and accrued interest as of December 17, 2006. The number of underlying shares of Common Stock into which the Note may be converted will increase as interest accrues daily under the terms of the Note.

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.