

Stanley, Inc.
Form 3
October 17, 2006

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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INITIAL STATEMENT OF 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)

<p>1. Name and Address of Reporting Person *</p> <p>Â Karlson William E</p> <p>(Last) (First) (Middle)</p> <p>C/O STANLEY, INC.,Â 3101 WILSON BOULEVARD, SUITE 700</p> <p>(Street)</p> <p>ARLINGTON,Â VAAÂ 22201</p> <p>(City) (State) (Zip)</p>	<p>2. Date of Event Requiring Statement</p> <p>(Month/Day/Year)</p> <p>10/17/2006</p>	<p>3. Issuer Name and Ticker or Trading Symbol</p> <p>Stanley, Inc. [SXE]</p>	<p>4. Relationship of Reporting Person(s) to Issuer</p> <p>(Check all applicable)</p> <p><input checked="" type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer <input type="checkbox"/> Other (give title below) (specify below) SVP, Outsourcing Solutions Div</p>	<p>5. If Amendment, Date Original Filed(Month/Day/Year)</p>	<p>6. Individual or Joint/Group Filing(Check Applicable Line)</p> <p><input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person</p>
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Table I - Non-Derivative Securities Beneficially Owned

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Common Stock	1,417,590 ⁽¹⁾	D	Â
Common Stock	78,990 ⁽²⁾	I	By self as Trustee of the Stanley, Inc. Employee Stock Ownership Plan
Common Stock	120,960 ⁽³⁾	I	By Executive Deferred Compensation and Equity Incentive Trust
Common Stock	150,000	I	By William E. Karlson 2006 Irrevocable Dynasty Trust

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

SEC 1473 (7-02)

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

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)		3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)		4. Conversion or Exercise Price of Derivative Security	5. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 5)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date	Title	Amount or Number of Shares			
Option to buy	03/30/2003	03/29/2008	Common Stock	12,600	\$ 0.53	D	Â
Option to buy	03/31/2003	03/31/2008	Common Stock	11,400	\$ 1.44	D	Â
Option to buy	03/31/2004	03/31/2009	Common Stock	11,400	\$ 1.44	D	Â
Option to buy	07/01/2003	07/01/2008	Common Stock	6,000	\$ 1.78	D	Â
Option to buy	07/01/2004	07/01/2009	Common Stock	6,000	\$ 1.78	D	Â
Option to buy	07/01/2005	03/31/2010	Common Stock	6,000	\$ 1.78	D	Â
Option to buy	Â (4)	04/30/2008	Common Stock	18,000	\$ 2.59	D	Â
Option to buy	Â (5)	05/05/2011	Common Stock	22,500	\$ 8.65	D	Â

Reporting Owners

Reporting Owner Name / Address	Relationships				Other
	Director	10% Owner	Officer		
Karlson William E C/O STANLEY, INC. 3101 WILSON BOULEVARD, SUITE 700 ARLINGTON, VA 22201	Â X	Â	Â SVP, Outsourcing Solutions Div		Â

Signatures

By: /s/ William E. Karlson
Date: 10/17/2006

**Signature of Reporting
Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 5(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) Includes 221,130 shares held in trust for Mr. Karlson under the Stanley, Inc. Employee Stock Ownership Plan (the "ESOP").

(2) Consists of unallocated shares held by the ESOP, for which Mr. Karlson serves as trustee. Under the terms of the ESOP, the trustees are currently obligated, with respect to certain matters, to solicit participants to vote shares of Stanley common stock allocated to participants' accounts, and the trustees generally will vote such shares in accordance with the voting decisions of the participants. Mr. Karlson disclaims beneficial ownership of these shares.

(3) Represents restricted stock held in the Executive Deferred Compensation and Equity Incentive Trust, of which 29,910 shares were vested and 90,780 shares are unvested. The unvested shares will vest upon completion of an initial public offering.

(4) Of the 18,000 options held, 10,800 are currently exercisable and 7,200 will vest upon completion of an initial public offering.

(5) These options vest over a five year period beginning on date of grant, May 4, 2006, with a final vesting date of May 4, 2011. None are currently exercisable and none will vest upon completion of an initial public offering.

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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