

HAMPSTEAD ASSOCIATES LLC  
 Form 4  
 December 19, 2007

**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 \*  
**MILKEN LOWELL J**

2. Issuer Name and Ticker or Trading Symbol  
**K12 INC [LRN]**

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
**1250 FOURTH STREET**

3. Date of Earliest Transaction (Month/Day/Year)  
**12/18/2007**

\_\_\_ Director \_\_\_ 10% Owner  
 \_\_\_ Officer (give title below) \_\_\_X\_\_\_ Other (specify below)  
**X(2)(3)(4)(6) (7)**

(Street)  
**SANTA MONICA, CA 90401**

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

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

(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 Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|----------------------------------------------------------|-------------------------------------------------------|
| Common Stock                    | 12/18/2007                           |                                                    | C                              | 830                                                               | A (1) 1,522                                                                                   | I (2) (7)                                                | Hampstead Associates, L.L.C.                          |
| Common Stock                    | 12/18/2007                           |                                                    | C                              | 753,846                                                           | A (1) 753,846                                                                                 | I (3) (7)                                                | Learning Group LLC                                    |
| Common Stock                    | 12/18/2007                           |                                                    | C                              | 3,911,237                                                         | A (1) 4,665,083                                                                               | I (3) (7)                                                | Learning Group LLC                                    |
| Common Stock                    |                                      |                                                    |                                |                                                                   | 609,171                                                                                       | I (4) (7)                                                | Learning Group Partners                               |

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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 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) |               | 6. Date Exercisable and Expiration Date (Month/Day/Year) |                  | 7. Title and Underlying (Instr. 3 and 4) |
|--------------------------------------------------------------|--------------------------------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|--------------------------------------------------------------------|---------------|----------------------------------------------------------|------------------|------------------------------------------|
|                                                              |                                                        |                                      |                                                    |                                | V                                                                  | (A)           | (D)                                                      | Date Exercisable |                                          |
| Series B Convertible Preferred Stock                         | (1)                                                    | 12/18/2007                           |                                                    | C                              |                                                                    | 4,233.5       | (1)                                                      | (1)              | Common Stock                             |
| Series B Convertible Preferred Stock                         | (1)                                                    | 12/18/2007                           |                                                    | C                              |                                                                    | 3,844,618     | (1)                                                      | (1)              | Common Stock                             |
| Series C Convertible Preferred Stock                         | (1)                                                    | 12/18/2007                           |                                                    | C                              |                                                                    | 19,947,312.55 | (1)                                                      | (1)              | Common Stock                             |
| Series B Convertible Preferred Stock Warrants (right to buy) | \$ 1.34                                                | 12/18/2007                           |                                                    | C                              |                                                                    | 582,089.5     | (5)                                                      | (5)              | Series B Convertible Preferred Stock     |
| Common Stock Warrants (right to buy)                         | \$ 6.834                                               | 12/18/2007                           |                                                    | C                              | 114,135                                                            |               | (5)                                                      | (5)              | Common Stock                             |

## Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

X(2)(3)(4)(6) (7)

MILKEN LOWELL J  
1250 FOURTH STREET  
SANTA MONICA, CA 90401

HAMPSTEAD ASSOCIATES LLC  
1250 FOURTH STREET  
SANTA MONICA, CA 90401

X(2)(7)

RIDGEVIEW ASSOCIATES LLC  
1250 FOURTH STREET  
SANTA MONICA, CA 90401

X(2)(7)

LEARNING GROUP LLC  
1250 FOURTH STREET  
SANTA MONICA, CA 90401

X(3)(7)

LEARNING GROUP PARTNERS  
1250 FOURTH STREET  
SANTA MONICA, CA 90401

X(4)(7)

CORNERSTONE FINANCIAL GROUP LLC  
1250 FOURTH STREET  
SANTA MONICA, CA 90401

X(6)(7)

## Signatures

|                                                                    |            |
|--------------------------------------------------------------------|------------|
| /s/ Lowell J. Milken, an individual                                | 12/19/2007 |
| __Signature of Reporting Person                                    | Date       |
| /s/ Stanley E. Maron, Secretary of Hampstead Associates, L.L.C.    | 12/19/2007 |
| __Signature of Reporting Person                                    | Date       |
| /s/ Stanley E. Maron, Secretary of Ridgeview Associates, LLC       | 12/19/2007 |
| __Signature of Reporting Person                                    | Date       |
| /s/ Stanley E. Maron, Secretary of Learning Group LLC              | 12/19/2007 |
| __Signature of Reporting Person                                    | Date       |
| /s/ Stanley E. Maron, Secretary of Learning Group Partners         | 12/19/2007 |
| __Signature of Reporting Person                                    | Date       |
| /s/ Stanley E. Maron, Secretary of Cornerstone Financial Group LLC | 12/19/2007 |
| __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) The Series B Convertible Preferred Stock ("Series B shares") and the Series C Convertible Preferred Stock ("Series C shares") of the Issuer converted into common stock of the Issuer on a 5.1-for-1 basis and had no expiration date.
  - (2) The shares of common stock of the Issuer are, and Series B shares of the Issuer were, held of record by Hampstead Associates, L.L.C., a Delaware limited liability company ("Hampstead"). Ridgeview Associates, LLC, a California limited liability company ("Ridgeview"), is the manager and a member of Hampstead, and in such capacities may be deemed to have the power to direct the voting and disposition of, and to share beneficial ownership of, any securities owned of record by Hampstead. Lowell J. Milken may be deemed to be a controlling person of Ridgeview and in such capacity may be deemed to have the power to direct the voting and disposition of, and to share

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beneficial ownership of, any securities beneficially owned by Ridgeview, but disclaims such beneficial ownership except to the extent of his pecuniary interest therein.

- The shares of common stock of the Issuer are, and Series B shares and Series C shares of the Issuer were, held of record by Learning Group LLC, a Delaware limited liability company ("Learning Group"). Lowell J. Milken may be deemed to be a controlling person of Learning Group and in such capacity may be deemed to have the power to direct the voting and disposition of, and to share beneficial ownership of, any securities owned of record by Learning Group, but disclaims such beneficial ownership except to the extent of his pecuniary interest therein.

- The shares of common stock of the Issuer are held of record by Learning Group Partners, a California general partnership ("Learning Group Partners"). Lowell J. Milken may be deemed to be a controlling person of Learning Group Partners and in such capacity may be deemed to have the power to direct the voting and disposition of, and to share beneficial ownership of, any securities owned of record by Learning Group Partners, but disclaims such beneficial ownership except to the extent of his pecuniary interest therein.

- The warrants to purchase Series B Convertible Preferred Stock ("Series B warrants") of the Issuer converted into common stock warrants ("common stock warrants") of the Issuer on a 5.1-for-1 basis. The common stock warrants are immediately exercisable and will expire on April 8, 2008.

- The common stock warrants are, and Series B warrants were, held of record by Cornerstone Financial Group LLC, a California limited liability company ("Cornerstone"). Lowell J. Milken may be deemed to be a controlling person of Cornerstone and in such capacity may be deemed to have the power to direct the voting and disposition of, and to share beneficial ownership of, any securities owned of record by Cornerstone, but disclaims such beneficial ownership except to the extent of his pecuniary interest therein.

- The Reporting Persons may be deemed to be a group, and also may be deemed to be a group with Michael R. Milken and other entities which are controlled, directly or indirectly, by Michael R. Milken. The Reporting Persons disclaim such group membership. The filing of this statement shall not be deemed an admission that, for purposes of Section 16 of the Securities Exchange Act of 1934, or otherwise, a Reporting Person is the beneficial owner of equity securities covered by this statement or any other statement that are beneficially owned, directly or indirectly, by any other person.

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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