

ZALE CORP
Form 4
July 26, 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 *
BURTON MARY ELIZABETH

(Last) (First) (Middle)

C/O ZALE CORPORATION, 901
WEST WALNUT HILL LANE

(Street)

IRVING, TX 75038-1033

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
ZALE CORP [ZLC]

3. Date of Earliest Transaction
(Month/Day/Year)
07/24/2006

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)
President & CEO

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)
			Code	V	Amount (D) Price		
Common Stock	07/24/2006		A		25,000 (1)	A	\$ 0 26,500 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)

Edgar Filing: ZALE CORP - Form 4

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)	Amount of Underlying Shares
Stock Options (Right to buy)	\$ 23.9375					08/01/2004 08/01/2013	Common Stock	10,000
Stock Options (Right to buy)	\$ 24.61	07/24/2006		A	125,000	07/24/2007 ⁽²⁾ 07/24/2016	Common Stock	125,000
Stock Options (Right to buy)	\$ 27.03					11/11/2006 11/11/2015	Common Stock	3,800
Stock Options (Right to buy)	\$ 29.79					11/12/2005 11/12/2014	Common Stock	5,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
BURTON MARY ELIZABETH C/O ZALE CORPORATION 901 WEST WALNUT HILL LANE IRVING, TX 75038-1033	X		President & CEO	

Signatures

Hilary Molay 07/26/2006
 **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) Time-vesting restricted stock units granted under the Zale Corporation 2003 Stock Incentive Plan that vests 100% on 7-24-2009. Does not include 25,000 performance-based restricted units granted to Ms. Burton, which entitle Ms. Burton to receive a specified number of shares of the Company's common stock based on the Company's achievement of performance targets established by the Company's Compensation Committee.

Edgar Filing: ZALE CORP - Form 4

(2) Granted under the Zale Corporation 2003 Stock Incentive Plan and vests in four equal annual installments beginning on 7/24/07.

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.