

Breeden Richard C  
 Form 4  
 March 03, 2009

**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 \*  
 Breeden Richard C

(Last) (First) (Middle)

100 NORTHFIELD STREET

(Street)

GREENWICH, CT 06830

(City) (State) (Zip)

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

3. Date of Earliest Transaction (Month/Day/Year)  
 02/27/2009

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)

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)
Common Stock				(A) or (D) Price	1,040	D	
Common Stock				(A) or (D) Price	9,070,839	I	See Footnote (2)

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

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SEC 1474 (9-02)



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Richard C. Breeden is the managing member of Breeden Capital Partners, LLC, managing member and Chairman and Chief Executive of Breeden Capital Management LLC and the Key Principal of Breeden Partners (Cayman) Ltd., and, as such, may be deemed to be the

(2) indirect beneficial owner of the shares of Common Stock owned by Breeden Partners L.P., Breeden Partners (California) L.P., Breeden Partners(California) II L.P., Breeden Partners (New York) I L.P., Breeden Partners Holdco Ltd. and Breeden Partners (Cayman) Ltd. (the "Funds"); however, he disclaims beneficial ownership of such shares except to the extent of his pecuniary interest therein.

(3) Granted under the Plan and vests in four annual installments beginning January 17, 2009. Pursuant to the Funds' governing documents, any economic benefit with respect to these stock options will be apportioned among the Funds.

Deferred stock units granted under the Plan. Under the terms of the Plan, Mr. Breeden elected to receive the deferred stock units in lieu of a quarterly cash retainer payment of \$10,000 for service as a member of the Company's Board of Directors. Mr. Breeden was granted 8,000 deferred stock units based on the 2/27/2009 closing price of \$1.25. The deferred stock units vest immediately upon grant. The

(4) holder is entitled to receive one share of common stock for each unit, unless the Board of Directors determines that payment shall be made in cash. The holder has elected to defer delivery of any shares that would be due until the date that is six months following his separation from service on the Company's Board. Pursuant to the Funds' governing documents, any economic benefit with respect to this grant will be apportioned among the Funds.

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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