

Cotter James M.
Form 4
March 03, 2009

FORM 4

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

OMB APPROVAL

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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 *
Cotter James M.

(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	

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

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

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- Deferred stock units granted under the Plan. Under the terms of the Plan, Mr. Cotter 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. Cotter 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 holder is
- (3) 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 the 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. 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.