

ZALE CORP
Form 4
June 10, 2011

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 *
Breedon Capital Management LLC

(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)
06/10/2011

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

___ Director ___X___ 10% Owner
___ Officer (give title below) ___ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
___ Form filed by One Reporting Person
X 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 Indirect Ownership (Instr. 4)
Common Stock	06/10/2011		J(1)	1,571,353 D	(1) 5,935,414	I	See footnote (2) (3) (4) (5) (6)

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)

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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)	8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Own Follo Repo Trans (Instr
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Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Breeden Capital Management LLC 100 NORTHFIELD STREET GREENWICH, CT 06830		X		
Breeden Partners L.P. 100 NORTHFIELD STREET GREENWICH, CT 06830		X		
BREEDEN PARTNERS (CALIFORNIA) L.P. 100 NORTHFIELD STREET GREENWICH, CT 06830		X		
BREEDEN PARTNERS (CALIFORNIA) II LP 100 NORTHFIELD STREET GREENWICH, CT 06830		X		
BREEDEN PARTNERS (NEW YORK) I L.P. 100 NORTHFIELD STREET GREENWICH, CT 06830		X		
Breeden Partners Holdco Ltd. 100 NORTHFIELD STREET GREENWICH, CT 06830		X		
Breeden Capital Partners LLC 100 NORTHFIELD STREET GREENWICH, CT 06830		X		
Breeden Partners (Cayman) Ltd. 100 NORTHFIELD STREET GREENWICH, CT 06830		X		

Signatures

/s/ Richard C. Breeden - See signatures included in Exhibit
99.1

06/10/2011

__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) On June 10, 2011, Breeden Partners Holdco Ltd. distributed 1,571,353 shares of common stock of Zale Corporation (the "Common Stock") pro rata to investors of Breeden Partners (Cayman) Ltd., a feeder fund of Breeden Partners Holdco Ltd. for no consideration.

The shares of Common Stock beneficially owned by Breeden Capital Management LLC, Breeden Partners (California) LP, Breeden Partners (California) II LP, Breeden Partners (New York) I LP, Breeden Partners LP, Breeden Partners Holdco Ltd., Breeden Partners (Cayman) Ltd., Breeden Capital Partners LLC and Richard Breeden (together, the "Reporting Owners") directly following the reported transactions are as follows: 33,686 shares by Breeden Partners L.P., 4,882,668 shares by Breeden Partners (California) L.P., 743,657 shares by Breeden Partners (California) II L.P., 256,343 shares by Breeden Partners (New York) I L.P. and 19,060 shares by Breeden Partners Holdco Ltd. (after distributing 1,571,353 shares in the reported transaction).

The shares of Common Stock beneficially owned by the Reporting Owners indirectly following the reported transactions are as follows: 19,060 shares by Breeden Partners (Cayman) Ltd., (after distributing 1,571,353 shares), 5,916,354 shares by Breeden Capital Partners LLC, 5,947,896 shares by Richard C. Breeden (after indirectly distributing 1,571,353 shares in the reported transactions) and 5,935,414 shares by Breeden Capital Management LLC (after indirectly distributing 1,571,353 shares in the reported transaction); however, each such Reporting Owner disclaims beneficial ownership of such shares except to the extent of its pecuniary interest therein.

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 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.; however, he disclaims beneficial ownership of such shares except to the extent of his pecuniary interest therein.

Breeden Capital Management LLC is principally involved in the business of providing investment advisory and investment management services to 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. (together, the "Fund") and, among other things, exercises all voting and other powers and privileges attributable to any securities held for the account of the Fund and, as such, may be deemed to be the indirect beneficial owner of the shares of Common Stock owned by the Fund; however, it disclaims beneficial ownership of such shares except to the extent of its pecuniary interest therein.

Breeden Capital Partners LLC is the general partner of Breeden Partners L.P., Breeden Partners (California) L.P., Breeden Partners (California) II L.P. and Breeden Partners (New York) I L.P., and, as such, may be deemed to beneficially own the shares of common stock owned by Breeden Partners L.P., Breeden Partners (California) L.P., Breeden Partners (California) II L.P. and Breeden Partners (New York) I L.P.; however it disclaims beneficial ownership of such shares except to the extent of its pecuniary interest therein. Breeden Partners (Cayman) Ltd., a Cayman Islands exempt limited company, is the feeder fund for Breeden Partners Holdco Ltd. and, as such, may be deemed to beneficially own the shares of common stock owned by Breeden Partners Holdco Ltd.; however, it disclaims beneficial ownership of such shares except to the extent of its pecuniary interest therein.

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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