

Breeden Richard C  
 Form 4  
 May 17, 2012

**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 Capital Management LLC

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
 100 NORTHFIELD STREET,  
 (Street)

3. Date of Earliest Transaction  
 (Month/Day/Year)  
 05/15/2012

\_\_\_\_ Director  10% Owner  
 \_\_\_\_ Officer (give title below) \_\_\_\_ Other (specify below)

GREENWICH, CT 06830

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

6. Individual or Joint/Group Filing(Check Applicable Line)  
 \_\_\_ Form filed by One Reporting Person  
 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	05/15/2012		S <sup>(1)</sup>	256,343 D	\$ 2.27 5,679,071	I	See footnote (1) (2) (3) (5) (4)

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)**



## 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 shares of Common Stock beneficially owned by the Reporting Owners directly following the sale by Breeden Partners (New York) I L.P. of all of its 256,343 shares 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., 10,942 shares by Richard C. Breeden and 19,060 shares by Breeden Capital Partners LLC (reflecting a distribution of 19,060 shares from Breeden Partners Holdco Ltd.).

(2) The shares of Common Stock beneficially owned by the Reporting Owners indirectly following sale by Breeden Partners (New York) I L.P. of all of its 256,343 shares are as follows: 5,660,011 shares by Breeden Capital Partners LLC, 5,679,071 shares by Richard C. Breeden (after indirectly selling 256,343 shares in the reported transactions) and 5,679,071 shares by Breeden Capital Management LLC (after indirectly selling 256,343 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.

(3) 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., and Breeden Partners (New York) I L.P., however, he disclaims beneficial ownership of such shares except to the extent of his pecuniary interest therein.

(4) 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., and Breeden Partners (New York) I L.P., (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.

(5) 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.

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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