

Sally Beauty Holdings, Inc.
Form 4
November 28, 2006

FORM 4

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

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

OMB APPROVAL

OMB
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(Print or Type Responses)

1. Name and Address of Reporting Person *
Dowd W Richard

(Last) (First) (Middle)

C/O SALLY BEAUTY HOLDINGS,
INC., 3001 COLORADO
BOULEVARD

(Street)

DENTON, TX 76210

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading
Symbol

Sally Beauty Holdings, Inc. [SBH]

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

11/24/2006

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

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

____ Director _____ 10% Owner
__X__ Officer (give title _____ Other (specify
below) below)

SVP, Distribution and CIO

6. Individual or Joint/Group Filing(Check
Applicable Line)
__X__ 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 Indirect Beneficial Ownership (Instr. 4)
			Code	V Amount (D) Price			

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
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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)

1. Title of Derivative	2. Conversion	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if	4. Transaction	5. Number of Derivative	6. Date Exercisable and Expiration Date	7. Title and Amount of Underlying Securities
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Security (Instr. 3)	or Exercise Price of Derivative Security	any (Month/Day/Year)	Code (Instr. 8)	Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	(Month/Day/Year)		(Instr. 3 and 4)			
			Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option (right to buy)	\$ 2	11/24/2006	A		38,580		<u>(1)</u>	09/30/2012	Common Stock	38,580
Employee Stock Option (right to buy)	\$ 2	11/24/2006	A		23,243		<u>(1)</u>	09/30/2013	Common Stock	23,243
Employee Stock Option (right to buy)	\$ 2	11/24/2006	A		13,780		<u>(1)</u>	09/30/2014	Common Stock	13,780
Employee Stock Option (right to buy)	\$ 2	11/24/2006	A		13,713		<u>(1)</u>	09/30/2015	Common Stock	13,713

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Dowd W Richard C/O SALLY BEAUTY HOLDINGS, INC. 3001 COLORADO BOULEVARD DENTON, TX 76210			SVP, Distribution and CIO	

Signatures

Matthew Haltom, Attorney-in-fact for Mr.
Dowd 11/28/2006

 **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) This option is currently exercisable in full.

Pursuant to the Employee Matters Agreement dated June 19, 2006, as amended, by the Issuer, Alberto-Culver Company ("Old Alberto")

- (2) and certain of its subsidiaries, and to the stock option plan under which it was granted, the exercise price and number of shares subject to this option were adjusted to reflect the effects of the spin-off of Alberto-Culver Company ("New Alberto").

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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