

displays a currently valid OMB control number.

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

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)	Amount or Number of Shares	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option (Right to Buy)	\$ 34.227	11/16/2006		D	19,500	(2) 09/30/2012	Common Stock	19,500	
Employee Stock Option (Right to Buy)	\$ 39.543	11/16/2006		D	17,250	(2) 09/30/2013	Common Stock	17,250	
Employee Stock Option (Right to Buy)	\$ 43.83	11/16/2006		D	15,000	(2) 09/30/2014	Common Stock	15,000	
Employee Stock Option (Right to Buy)	\$ 44.4	11/16/2006		D	15,000	(2) 09/30/2015	Common Stock	15,000	

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
BERSCHIED JOHN R JR 31440 SOMERSET CIRCLE GREEN OAKS, IL 60048			Group V-P Global R&D	

Signatures

/s/ James M. Spira as Attorney-in-Fact for John R.
Berschied Jr.

11/17/2006

__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) Disposition of shares of common stock in a merger of one of the issuer's subsidiaries into the issuer to effect the formation of a holding company (the "Holding Company Merger"). In the Holding Company Merger, the shares of common stock of the issuer were converted, on a one-for-one basis, into shares of common stock of Sally Beauty Holdings, Inc. ("Sally Beauty Holdings") pursuant to an Investment Agreement dated as of June 19, 2006, as amended, among the issuer and certain of its subsidiaries and CDRS Acquisition LLC.

(2) This option, to the extent unexercisable, became exercisable in full on November 16, 2006.

(3) This option was assumed by Sally Beauty Holdings in the Holding Company Merger and replaced with an option to purchase a number of shares of common stock of Sally Beauty Holdings equal to the number of shares subject to this option at an exercise price equal to the exercise price of this option.

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.