

New Sally Holdings, Inc.  
 Form 4  
 November 20, 2006

**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 \*  
 CD&R Parallel Fund VII LP

2. Issuer Name and Ticker or Trading Symbol  
 New Sally Holdings, Inc. [SBH]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
 1403 FOULK ROAD, SUITE 106  
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)  
 11/17/2006

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

WILMINGTON, DE 19803

(City) (State) (Zip)

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

**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)
			Code	V	Amount	(A) or (D)	Price
Common Stock	11/17/2006		C <sup>(1)</sup>		567,566	A	<u>(2)</u> 567,566
						D	<u>(3)</u>

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. Amount or Number of Shares
Class A Common Stock	(2)	11/17/2006		C(1)	567,566	(2) (2)	Common Stock	567,566

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
CD&R Parallel Fund VII LP 1403 FOULK ROAD, SUITE 106 WILMINGTON, DE 19803		X		
CD&R Investment Associates VII, Ltd. 1403 FOULK ROAD, SUITE 106 WILMINGTON, DE 19803		X		

## Signatures

CD&R Parallel Fund VII, L.P. By: CD&R Parallel Fund Associates VII, Ltd., its general partner By: Theresa A. Gore, VP, Treas. and Asst. Sec.	11/20/2006
_____ **Signature of Reporting Person	Date
CD&R Parallel Fund Associates VII, Ltd. By: Theresa A. Gore, VP, Treas. and Asst. Sec.	11/20/2006
_____ **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) Exempt under Rule 16b-6 of the Securities Exchange Act of 1934.
- (2) Pursuant to the Amended and Restated Certificate of Incorporation, dated November 16, 2006, outstanding shares of Class A Common Stock automatically converted, as of November 17, 2006, into shares of the Issuer's Common Stock on a one-for-one basis.
- (3) The Reporting Person is a partnership of which CD&R Parallel Fund Associates VII, Ltd. is the general partner.

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.