

New Sally Holdings, Inc.

Form 3

November 20, 2006

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

OMB APPROVAL

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INITIAL STATEMENT OF 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

(Last) (First) (Middle)

1403 FOULK ROAD, SUITE 106

(Street)

WILMINGTON, DE 19803

(City) (State) (Zip)

2. Date of Event Requiring Statement

(Month/Day/Year)

11/16/2006

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

4. Relationship of Reporting Person(s) to Issuer

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

(Check all applicable)

____ Director ____X____ 10% Owner
____ Officer ____ Other
(give title below) (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 Beneficially Owned1. Title of Security
(Instr. 4)2. Amount of Securities Beneficially Owned
(Instr. 4)

3. Ownership Form:
Direct (D)
or Indirect (I)
(Instr. 5)

4. Nature of Indirect Beneficial Ownership
(Instr. 5)

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

SEC 1473 (7-02)

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Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)1. Title of Derivative Security
(Instr. 4)2. Date Exercisable and Expiration Date
(Month/Day/Year)

Date Exercisable Expiration Date

3. Title and Amount of Securities Underlying Derivative Security
(Instr. 4)

Title Amount or Number of Shares

4. Conversion or Exercise Price of Derivative Security

5. Ownership Form of Derivative Security: Direct (D) or Indirect (I)

6. Nature of Indirect Beneficial Ownership
(Instr. 5)

(Instr. 5)

Class A Common Stock	Â (1)	Â (1)	Common Stock	567,566	\$ (1)	D (2)	Â
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Reporting Owners

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

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
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__Signature of Reporting Person

Date

CD&R Parallel Fund Associates VII, Ltd. By: Theresa A. Gore, VP, Treas. and Asst. Sec.	11/20/2006
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__Signature of Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 5(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) Pursuant to the Issuer's Amended and Restated Certificate of Incorporation, dated November 16, 2006, outstanding shares of Class A Common Stock automatically convert, as of November 17, 2006, into shares of the Issuer's Common Stock on a one-for-one basis.
- (2) 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.