

MARLIN BUSINESS SERVICES CORP
 Form 4
 October 19, 2006

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
 Expires: January 31, 2005
 Estimated average burden hours per response... 0.5

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 *
 DYER DANIEL P

2. Issuer Name and Ticker or Trading Symbol
 MARLIN BUSINESS SERVICES CORP [MRLN]

5. Relationship of Reporting Person(s) to Issuer
 (Check all applicable)

(Last) (First) (Middle)
 C/O MARLIN BUSINESS SERVICES CORP., 300 FELLOWSHIP ROAD
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 10/17/2006

Director 10% Owner
 Officer (give title below) Other (specify below)
 Chief Executive Officer

MOUNT LAUREL, NJ 08054
 (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	Price		
Common Stock	10/17/2006		S(1)	700	D	\$ 22.9121 (2)	218,570 (3)	D	
Common Stock	10/18/2006		S(1)	700	D	\$ 23.0021 (2)	217,870 (3)	D	

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

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SEC 1474 (9-02)

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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)	8. Amount or Number of Shares
Option to Purchase Common Stock	\$ 17.52					01/11/2009 ⁽⁴⁾ 01/10/2012	Common Stock	21,429
Option to Purchase Common Stock	\$ 4.23					04/03/2004 ⁽⁴⁾ 04/03/2010	Common Stock	28,000
Option to Purchase Common Stock	\$ 10.18					10/04/2005 ⁽⁴⁾ 10/04/2011	Common Stock	51,240
Option to Purchase Common Stock	\$ 3.39					01/17/2006 ⁽⁴⁾ 01/17/2012	Common Stock	14,000
Option to Purchase Common Stock	\$ 3.39					01/13/2007 ⁽⁴⁾ 01/13/2013	Common Stock	7,000
Option to Purchase Common Stock	\$ 10.18					01/13/2007 ⁽⁴⁾ 01/13/2013	Common Stock	6,650
Option to Purchase Common Stock	\$ 18.8					01/29/2012 ⁽⁵⁾ 01/28/2014	Common Stock	20,000

Option to Purchase Common Stock	\$ 21.6	03/28/2010 ⁽⁴⁾	03/28/2013	Common Stock	8,016
Option to Purchase Common Stock	\$ 21.6	03/28/2010 ⁽⁶⁾	03/28/2013	Common Stock	12,026 <u>(7)</u>

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
DYER DANIEL P C/O MARLIN BUSINESS SERVICES CORP. 300 FELLOWSHIP ROAD MOUNT LAUREL, NJ 08054	X		Chief Executive Officer	

Signatures

/s/ George D. Pelose Attorney
in Fact

10/19/2006

__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) The sale of shares of Marlin Business Services Corp. reported on this Form 4 was executed pursuant to a written plan adopted by the reporting person on June 13, 2006, that is intended to comply with Rule 10b5-1(c) of the Securities and Exchange Act of 1934.
- (2) Represents average sales price per share.
- (3) Includes a total of 25,367 shares of restricted stock where, as of the date of this filing, the restrictions have not yet lapsed.
- (4) Date listed is the date of full vesting. Each grant vests 25% per year beginning on the first anniversary of the date of grant.
Date listed is date of scheduled full vesting. This grant vests over an eight year period at the following annual increments: 2.5% in first year; 5.0% in second year; 7.5% in third year; 10.0% in fourth year; 15.0% in fifth year; and 20.0% in each of the sixth, seventh and eighth years. Vesting can be accelerated upon the reporting person's achievement of certain performance goals set forth in the grant instrument.
- (5) Represents the date the options will cliff vest if certain four year average EPS growth targets are achieved.
Represents the maximum number of options that may vest under this performance option grant. Vesting will be determined by EPS growth rates averaged over a four year performance period. Depending on the average EPS growth rate achieved for the four year period, the number of shares that vest at the end of the four year period could be 0; 4,008; 8,017; or 12,026.
- (6) Represents the date the options will cliff vest if certain four year average EPS growth targets are achieved.
- (7) Represents the maximum number of options that may vest under this performance option grant. Vesting will be determined by EPS growth rates averaged over a four year performance period. Depending on the average EPS growth rate achieved for the four year period, the number of shares that vest at the end of the four year period could be 0; 4,008; 8,017; or 12,026.

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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