

MARLIN BUSINESS SERVICES CORP  
 Form 4  
 March 20, 2007

**FORM 4**

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

OMB APPROVAL

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**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 \*  
 PELOSE GEORGE D

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

3. Date of Earliest Transaction (Month/Day/Year)  
 03/16/2007

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

(Street)  
 MOUNT LAUREL, NJ 08054

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

(City) (State) (Zip)

**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)
Common Stock	03/16/2007		A	(A) or (D) 8,521 (1)	(2) 81,486 (3)	D	

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

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**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)
				Code V (A) (D)		Date Exercisable Expiration Date	Title Amount or Number of Share
Option to Purchase Common Stock	\$ 5.01					07/27/2004 <sup>(4)</sup> 07/27/2010	Common Stock 21,000
Option to Purchase Common Stock	\$ 3.39					08/22/2005 <sup>(4)</sup> 08/22/2011	Common Stock 7,000
Option to Purchase Common Stock	\$ 10.18					10/04/2005 <sup>(4)</sup> 10/04/2011	Common Stock 42,700
Option to Purchase Common Stock	\$ 3.39					01/17/2006 <sup>(4)</sup> 01/17/2012	Common Stock 28,000
Option to Purchase Common Stock	\$ 3.39					01/13/2007 <sup>(4)</sup> 01/13/2013	Common Stock 7,000
Option to Purchase Common Stock	\$ 10.18					01/13/2007 <sup>(4)</sup> 01/13/2013	Common Stock 6,055
Option to Purchase Common Stock	\$ 14					11/11/2007 <sup>(4)</sup> 11/10/2013	Common Stock 10,000
Option to Purchase Common Stock	\$ 18.8					01/29/2012 <sup>(5)</sup> 01/28/2014	Common Stock 12,500
Option to Purchase Common	\$ 17.52					01/11/2009 <sup>(4)</sup> 01/10/2012	Common Stock 9,246

## Stock

Option to  
Purchase  
Common  
Stock

\$ 21.6

03/28/2010<sup>(4)</sup> 03/28/2013Common  
Stock

3,891

Option to  
Purchase  
Common  
Stock

\$ 21.6

03/28/2010<sup>(6)</sup> 03/28/2013Common  
Stock5,838  
<sup>(7)</sup>

Option to  
Purchase  
Common  
Stock

\$ 20.77

03/16/2007

A

7,156

03/16/2011<sup>(4)</sup> 03/16/2014Common  
Stock

7,156

Option to  
Purchase  
Common  
Stock

\$ 20.77

03/16/2007

A

9,924  
<sup>(8)</sup>03/16/2011<sup>(6)</sup> 03/16/2014Common  
Stock

9,924

## Reporting Owners

### Reporting Owner Name / Address

### Relationships

Director    10% Owner    Officer    Other

PELOSE GEORGE D  
C/O MARLIN BUSINESS SERVICES CORP.  
300 FELLOWSHIP ROAD  
MOUNT LAUREL, NJ 08054

Chief Operating Officer

## Signatures

/s/ George D.  
Pelose

03/20/2007

\*\*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).

Represents grants of restricted stock as part of long term incentive plan. The restrictions on 6,391 of these shares shall lapse after seven years from the transaction date, subject to accelerated lapsing if the Company achieves certain financial performance targets. The

- (1) remaining 2,130 shares represent a matching grant of restricted stock pursuant to a management stock purchase program. The restrictions on these shares shall lapse after ten years from the transaction date, subject to accelerated lapsing if the Reporting Person maintains ownership of a certain number of unrestricted shares for three years from the transaction date.
- (2) N/A
- (3) Includes a total of 74,121 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 grants vests 25% per year beginning on the first anniversary of the date of grant.
- (5) 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

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eighth years. Vesting can be accelerated upon the reporting person's achievement of certain performance goals set forth in the grant instrument.

(6) 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

(7) 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; 1,946; 3,892; or 5,838.

Represents the maximum number of options that may vest under this performance option grant. Vesting will be determined by EPS

(8) 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; 3,308; 6,616; or 9,924.

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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