

I2 TECHNOLOGIES INC
 Form 4
 February 22, 2007

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 *
AMALGAMATED GADGET LP

(Last) (First) (Middle)

301 COMMERCE STREET, SUITE 3200

(Street)

FORT WORTH, TX 76102

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
I2 TECHNOLOGIES INC [ITWO]

3. Date of Earliest Transaction
 (Month/Day/Year)
02/20/2007

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

___ Director ___X___ 10% Owner
 ___ Officer (give title below) ___ Other (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 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 Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|--|
| | | | | (A) or (D) | Code V Amount (D) Price | | |

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)

| 1. Title of Derivative Security | 2. Conversion or Exercise | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any | 4. Transaction Code | 5. Number of | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) |
|---------------------------------|---------------------------|--------------------------------------|-----------------------------------|---------------------|--------------|--|---|
| | | | | | | | |

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| (Instr. 3) | Price of Derivative Security | (Month/Day/Year) | (Instr. 8) | Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
|----------------------------------|------------------------------|------------------|--------------------|--|------|---|-----|-----|------------------|-----------------|--------------|----------------------------|
| Equity Swap (obligation to sell) | \$ 25.9224 | 02/20/2007 | J/K ⁽¹⁾ | 1 | | | | | 02/20/2007 | 11/20/2008 | Common Stock | 39,200 |
| Equity Swap (obligation to sell) | \$ 25.8969 | 02/21/2007 | J/K ⁽¹⁾ | 1 | | | | | 02/21/2007 | 11/20/2008 | Common Stock | 8,127 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| AMALGAMATED GADGET LP 301 COMMERCE STREET SUITE 3200 FORT WORTH, TX 76102 | | X | | |
| SCEPTER HOLDINGS INC 301 COMMERCE STREET SUITE 3200 FORT WORTH, TX 76102 | | X | | |
| RAYNOR GEOFFREY 301 COMMERCE STREET SUITE 3200 FORT WORTH, TX 76102 | | X | | |

Signatures

Brandon Teague, Director of Trading for Scepter Holdings, Inc., general partner of Amalgamated Gadget, L.P. 02/22/2007

__Signature of Reporting Person Date

Brandon Teague, Director of Trading for Scepter Holdings, Inc. 02/22/2007

__Signature of Reporting Person Date

Brandon Teague, Attorney-in-Fact for Geoffrey P. Raynor 02/22/2007

__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).

(1) On February 20, 2007 and February 21, 2007, respectively, the reporting person entered into equity swap transactions with a securities broker under which, upon exercise, (i) the broker will be obligated to pay to the reporting person \$1,016,158.08 and \$210,464.11, respectively, representing \$25.9224 and \$25.8969 per share, respectively, for each share of ITWO common stock that is the subject of the transactions, and (ii) the reporting person will be obligated to pay to the broker the market value of the 39,200 and 8,127 shares of common stock, respectively. An amount equal to dividends declared and paid on such shares during the term of the transactions will be paid to the broker.

(2) All securities reported herein as being owned by Amalgamated Gadget, LP ("Amalgamated") were acquired by Amalgamated, for and on behalf of R2 Investments, LDC, or its subsidiary R2 Top Hat, Ltd. (collectively, "R2"), pursuant to an Investment Management Agreement. Pursuant to such Agreement, Amalgamated has sole voting and dispositive power of such securities and R2 has no beneficial ownership of such securities.

(3) This filing shall not be deemed an admission that Amalgamated is the beneficial owner of such securities for purposes of Section 16 of the Securities Exchange Act of 1934 (the "Act"). Scepter Holdings, Inc. ("Scepter") is the general partner of Amalgamated, which is the holder of the securities reported herein. Geoffrey P. Raynor ("Raynor") is the sole shareholder of Scepter. Pursuant to Rule 16a-1(a)(2)(ii)(B) under the Act, each of Scepter and Raynor is deemed to be the beneficial owner of any securities beneficially owned by Amalgamated only to the extent of the greater of his or its respective direct or indirect interest.

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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