

MARLIN BUSINESS SERVICES CORP
 Form 4
 April 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 *
 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)
 Director 10% Owner
 Officer (give title below) Other (specify below)
 Senior Vice President

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

3. Date of Earliest Transaction (Month/Day/Year)
 04/20/2006

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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | | (A) or (D) | Price | | |
| Common Stock | 04/20/2006 | | M | 1,250 A | \$ 4.23 | 14,788 ⁽¹⁾ | D |
| Common Stock | 04/20/2006 | | S ⁽²⁾ | 1,250 D | \$ 21.43 | 13,538 ⁽¹⁾ | D |
| | | | | | ⁽³⁾ | | |

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

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number.

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) | | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--------------|----------------------------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| Option to Purchase Common Stock | \$ 4.23 | 04/20/2006 | | M | 1,250 | 07/19/2003 ⁽⁴⁾ | 07/19/2009 | Common Stock | 37,800 |
| Option to Purchase Common Stock | \$ 5.01 | | | | | 07/27/2004 ⁽⁴⁾ | 07/27/2010 | Common Stock | 21,000 |
| Option to Purchase Common Stock | \$ 3.39 | | | | | 08/22/2005 ⁽⁴⁾ | 08/22/2011 | Common Stock | 7,000 |
| Option to Purchase Common Stock | \$ 10.18 | | | | | 10/04/2005 ⁽⁴⁾ | 10/04/2011 | Common Stock | 42,700 |
| Option to Purchase Common Stock | \$ 3.39 | | | | | 01/17/2006 ⁽⁴⁾ | 01/17/2012 | Common Stock | 28,000 |
| 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 | 6,055 |
| Option to Purchase Common Stock | \$ 14 | | | | | 11/11/2007 ⁽⁴⁾ | 11/10/2013 | Common Stock | 10,000 |

Stock

| | | | | | |
|---------------------------------|----------|---------------------------|------------|--------------|----------------------|
| Option to Purchase Common Stock | \$ 18.8 | 01/29/2012 ⁽⁶⁾ | 01/28/2014 | Common Stock | 12,500 |
| Option to Purchase Common Stock | \$ 17.52 | 01/11/2009 ⁽⁴⁾ | 01/10/2012 | Common Stock | 9,246 |
| Option to Purchase Common Stock | \$ 21.6 | 03/28/2010 ⁽⁴⁾ | 03/28/2013 | Common Stock | 3,891 |
| Option to Purchase Common Stock | \$ 21.6 | 03/28/2010 ⁽⁷⁾ | 03/28/2013 | Common Stock | 5,838 ⁽⁸⁾ |

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 | | | Senior Vice President | |

Signatures

/s/ George D. Pelose 04/20/2006

**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) Includes a total of 10,457 shares of restricted stock where, as of the date of this filing, the restrictions have not yet lapsed.
- (2) The sale of shares of Marlin Business Services Corp. on this Form 4 was executed pursuant to a written plan adopted by the reporting person on February 15, 2006, that is intended to comply with Rule 10b5-1(c) of the Securities and Exchange Act of 1934.
- (3) Represents average net sales price per share.
- (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) N/A
- (6) 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.

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

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.