Kahn Charles Newman III Form 5 February 09, 2007

FORM 5

OMB APPROVAL

OMB

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

3235-0362 Number: January 31, Expires:

2005

no longer subject to Section 16. Form 4 or Form 5 obligations may continue.

Check this box if

ANNUAL STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Estimated average burden hours per response... 1.0

See Instruction 1(b).

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Form 3 Holdings Section 17(a) of the Public Utility Holding Company Act of 1935 or Section Reported 30(h) of the Investment Company Act of 1940

Form 4

Transactions Reported

> 2. Issuer Name and Ticker or Trading 5. Relationship of Reporting Person(s) to Issuer Symbol

ZIX CORP [ZIXI]

(Month/Day/Year)

12/31/2006

3. Statement for Issuer's Fiscal Year Ended (Last) (First) (Middle)

> _X_ Director 10% Owner Officer (give title Other (specify

(Check all applicable)

below)

4545 N. GLEBE ROAD

Kahn Charles Newman III

1. Name and Address of Reporting Person *

(Street) 4. If Amendment, Date Original

Filed(Month/Day/Year)

6. Individual or Joint/Group Reporting

(check applicable line)

ARLINGTON. VAÂ 22207

Reminder: Report on a separate line for each class of

securities beneficially owned directly or indirectly.

Derivative

X Form Filed by One Reporting Person Form Filed by More than One Reporting

below)

(City) (State) (Zip) Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

	1.Title of	2. Transaction Date	2A. Deemed	3.	4. Securities	5. Amount of	6. Ownership	7. Nature of
	Security	(Month/Day/Year)	Execution Date, if	Transaction	Acquired (A) or	Securities	Form: Direct	Indirect
	(Instr. 3)		any	Code	Disposed of (D)	Beneficially	(D) or	Beneficial
			(Month/Day/Year)	(Instr. 8)	(Instr. 3, 4 and 5)	Owned at end	Indirect (I)	Ownership
					(4)	of Issuer's	(Instr. 4)	(Instr. 4)
					(A)	Fiscal Year		
					or	(T (2 14)		

(Instr. 3 and 4)

or Disposed of

Amount (D) Price

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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	2.	3. Transaction Date	3A. Deemed	4.	5. Number of	6. Date Exercisable and	7. Title and Amount o
Derivative	Conversion	(Month/Day/Year)	Execution Date, if	Transaction	Derivative	Expiration Date	Underlying Securities
Security	or Exercise		any	Code	Securities	(Month/Day/Year)	(Instr. 3 and 4)
(Instr. 3)	Price of		(Month/Day/Year)	(Instr. 8)	Acquired (A)		

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Security (D) (Instr. 3, 4, and 5)

> Title (A) (D) Date Expiration Exercisable Date

Amoun Number

of Share

38,83

Common

Common 38,838 Â Â (1)01/02/2016 Stock \$ 1.93 06/13/2006 06/13/2006 A Stock

Option

Reporting Owners

Reporting Owner Name / Address	Relationships					
1 8	Director	10% Owner	Officer	Other		
Kahn Charles Newman III 4545 N. GLEBE ROAD ARLINGTON. VA 22207	ÂX	Â	Â	Â		

Signatures

/s/ Charles N. 02/09/2007 Kahn III

**Signature of Date Reporting Person

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).

Automatic grant of options under ZixCorp 2006 Directors' Stock Option Plan. One-twelfth of these options vested on June 13, 2006, and (1) the remaining options vest pro-rata and quarterly in eleven equal tranches, with the first such tranche vesting on July 3, 2006, and the last such tranche vesting on January 3, 2009.

Note: File three copies of this Form, one of which must be manually signed. If space provided 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.

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