

FREDS INC
Form 4
July 26, 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 *
MOORE GAIL

(Last) (First) (Middle)

4300 NEW GETWELL

(Street)

MEMPHIS, TN 38118

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
FREDS INC [FRED]

3. Date of Earliest Transaction
(Month/Day/Year)
05/25/2006

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
Vice President

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)
Class A Common Stock				(A) or (D) Price	0 (2)	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)	8. Amount or Number of Shares
Option on Class A Common Stock	\$ 17.67	05/25/2006		J ⁽¹⁾	7,200 ⁽¹⁾	08/20/2004 09/11/2010	Class A Common Stock	7,200
Option on Class A Common Stock	\$ 20.6	05/25/2006		J ⁽¹⁾	1,800 ⁽¹⁾	08/20/2004 09/19/2010	Class A Common Stock	1,800
Option on Class A Common Stock	\$ 14.6	05/25/2006		J ⁽¹⁾	1,600 ⁽¹⁾	09/08/2005 09/08/2012	Class A Common Stock	1,600
Option on Class A Common Stock	\$ 15.37	03/20/2006		J ⁽³⁾	2,000 ⁽³⁾	06/09/2006 06/09/2012	Class A Common Stock	2,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MOORE GAIL 4300 NEW GETWELL MEMPHIS, TN 38118			Vice President	

Signatures

Anita Ryan by power of attorney
 Date: 07/26/2006
 **Signature of 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).
- (1) Ms. Moore resigned effective 5/25/06. All options are cancelled.

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(2) Ms. Moor resigned 5/25/06. 6,000 shares of Restricted stock cancelled.

(3) The 2005 option grant dated 6/9/2005 was performance based and cancelled due to non-performance on 3/20/2006

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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