

FREDS INC
Form 4
February 11, 2008

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 *
Naughton Jamie

(Last) (First) (Middle)
4300 NEW GETWELL ROAD
(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)
02/08/2008

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)
Sr. VP

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			
Class A Common Stock	02/08/2008		A ⁽¹⁾	6,000 A \$ 0	6,000	D	

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)

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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)	Amount or Number of Shares
Option on Class A Common Stock	\$ 20.6	05/19/2003		A	1,500	08/20/2008 ⁽²⁾ 09/19/2010	Class A Common Stock	1,500
Option on Class A Common Stock	\$ 14.6	09/08/2004		A	4,000	09/08/2009 ⁽²⁾ 09/08/2011	Class A Common Stock	4,000
Option on Class A Common Stock	\$ 13.25	03/21/2006		A	2,500	03/21/2011 ⁽³⁾ 03/21/2013	Class A Common Stock	2,500

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Naughton Jamie 4300 NEW GETWELL ROAD MEMPHIS, TN 38118			Sr. VP	

Signatures

Anita Ryan by power of attorney
02/11/2008

__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) Mrs. Naughton received a grant of restricted stock.
- (2) Mrs. Naughton has received stock options that vest 10% the first 4 years and 60% the fifth year.
- (3) Mrs. Naughton has received stock options that vest 20% for the first 5 years.

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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