FREDS INC Form 4 July 26, 2006

## FORM 4

#### OMB APPROVAL

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

OMB Number: 3235-0287

if no longer subject to Section 16. Form 4 or

Check this box

Washington, D.C. 20549

Expires: January 31, 2005

Form 4 or Form 5 obligations SECURITIES

Estimated average burden hours per response... 0.5

may continue.

See Instruction

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

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person MOORE GAIL	2. Issuer Name and Ticker or Trading Symbol FREDS INC [FRED]	5. Relationship of Reporting Person(s) to Issuer			
(Last) (First) (Middle)	3. Date of Earliest Transaction	(Check all applicable)			
4300 NEW GETWELL	(Month/Day/Year) 05/25/2006	Director 10% OwnerX_ Officer (give title Other (specify below)  Vice President			
(Street)	4. If Amendment, Date Original Filed(Month/Day/Year)	6. Individual or Joint/Group Filing(Check Applicable Line) _X_ Form filed by One Reporting Person			
MEMPHIS, TN 38118		Form filed by More than One Reporting Person			
(61.)					

(City)	(State)	(Zip)	Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned
			Table 1 - Non-Derivative Securities Acquired, Disposed of, or Deficitionly 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. SecuritionAcquired ( Disposed of (Instr. 3, 4)	(A) or of (D)	5. Amount of Securities Beneficially Owned	6. Ownership Form: Direct (D) or Indirect (I)	7. Nature of Indirect Beneficial Ownership
			Code V	Amount	(A) or (D) Price	Following Reported Transaction(s) (Instr. 3 and 4)	(Instr. 4)	(Instr. 4)
Class A Common Stock						0 (2)	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. Transacti Code (Instr. 8)	Onof D Secu Acq (A) Disp (D) (Inst	5. Number 6. Date Exercis Expiration Date (Month/Day/Youngle) (A) or Disposed of (D) (Instr. 3, 4, and 5)		e Underlying Securities		Securities
				Code V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Option on Class A Common Stock	\$ 17.67	05/25/2006		J <u>(1)</u>		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 <u>(1)</u>		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 <u>(1)</u>		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 <u>(3)</u>		2,000 (3)	06/09/2006	06/09/2012	Class A Common Stock	2,000

## **Reporting Owners**

eporting Owner Name / Address	Relationships					
<b>1</b>	Director	10% Owner	Officer	Other		
MOORE GAIL 4300 NEW GETWELL MEMPHIS, TN 38118			Vice President			
Signatures						

Anita Ryan by power of 07/26/2006 attorney \*\*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. 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.