McNabb B Mary Form 4 May 23, 2013

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB 3235-0287

OMB APPROVAL

Number:

January 31,

Expires: Sallua Expires:

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burden hours per response...

subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction

Check this box

if no longer

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)

MEMPHIS, TN 38118

1. Name and Address of Reporting Person * 5. Relationship of Reporting Person(s) to 2. Issuer Name and Ticker or Trading McNabb B Mary Issuer Symbol FREDS INC [FRED] (Check all applicable) (First) (Middle) (Last) 3. Date of Earliest Transaction (Month/Day/Year) X_ Director 10% Owner Other (specify Officer (give title 4300 NEW GETWELL ROAD 05/21/2013 below) (Street) 4. If Amendment, Date Original 6. Individual or Joint/Group Filing(Check

4. If Amendment, Date Origina Filed(Month/Day/Year) 6. Individual or Joint/Group Filing(Chec Applicable Line) _X_ Form filed by One Reporting Person

___ Form filed by One Reporting Person ___ Form filed by More than One Reporting

Person

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

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1.Title of	2. Transaction Date	2A. Deemed	3.	4. Securi	ties A	cquired	5. Amount of	6. Ownership	7. Nature of
Security	(Month/Day/Year)	Execution Date, if	Transaction(A) or Disposed of (D)			Securities	Form: Direct	Indirect	
(Instr. 3)		any	Code (Instr. 3, 4 and 5)			Beneficially	(D) or	Beneficial	
		(Month/Day/Year)	(Instr. 8)				Owned	Indirect (I)	Ownership
							Following	(Instr. 4)	(Instr. 4)
					(4)		Reported		
					(A)		Transaction(s)		
			Code V	Amount	or (D)	Price	(Instr. 3 and 4)		
Class A						ф			
Common Stock	05/21/2013(1)		M	2,500	A	\$ 11.17	9,650	D	

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

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(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. Transactic Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	ive Date (Month/Day/Year)		7. Title and Amount Underlying Securiti (Instr. 3 and 4)	
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title	Amou or Numb of Share
Option on Class A Common stock	\$ 11.17	05/21/2013		M	2,500 (1)	05/27/2008(1)	05/27/2013(1)	Class A Common Stock	2,50

Reporting Owners

Reporting Owner Name / Address	Relationships					
F-	Director	10% Owner	Officer	Other		
McNabb B Mary 4300 NEW GETWELL ROAD MEMPHIS, TN 38118	X					
0:						

Signatures

Jerry Shore by power of attorney 05/23/2013

**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) Exercised option to purchase 2,500 Class A Common shares for \$11.17 on 05/21/2013. The stock option grant was received on 05/27/2008 and had an expiration date of 05/27/2013.

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.

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