

FIRST RELIANCE BANCSHARES INC

Form 4

February 16, 2006

FORM 4UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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

OMB APPROVAL

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(Print or Type Responses)

1. Name and Address of Reporting Person *
SAUNDERS F R JR

2. Issuer Name **and** Ticker or Trading
Symbol

FIRST RELIANCE BANCSHARES
INC [FSRL]

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

(Last) (First) (Middle)

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

02/10/2006

____ Director ____ 10% Owner
____X____ Officer (give title below) ____ Other (specify below)

President and CEO

3202 FOREST LAKE DRIVE

(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
____ Form filed by More than One Reporting
Person

FLORENCE, SC 29501

(City) (State) (Zip)

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 Indirect Beneficial Ownership (Instr. 4)		
			Code	V	Amount	(A) or (D)	Price		
Common Stock	01/19/2006		A		833	A	\$ 0 (2)	33,945	D
Common Stock	01/17/2006		M		2,000	A	\$ 5	10,392	I
Common Stock								850	I
									Children

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

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information contained in this form are not
required to respond unless the form
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SEC 1474
(9-02)

number.

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

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 Underlying (Instr. 3 and		
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title
Option (right to buy)	\$ 5	01/17/2006		M		2,000		08/16/2002	08/16/2009	Common Stock
Option (right to buy)	\$ 5							08/16/2002	08/16/2009	Common Stock
Option (right to buy)	\$ 8							06/30/2005	07/13/2013	Common Stock
Option (right to buy)	\$ 11.5							05/10/2005	05/10/2015	Common Stock
Stock Appreciation Right	\$ 14.85	01/19/2006		A		13,021		01/19/2012 ⁽¹⁾	01/19/2016	Common Stock

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
SAUNDERS F R JR 3202 FOREST LAKE DRIVE FLORENCE, SC 29501	President and CEO

Signatures

/s/ F. R.
Saunders Jr. 02/10/2006

__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) Stock Appreciation Rights 1/19/2006 Award vest 20% on 1/19/2012; 40% on 1/19/2013; 60% on 1/19/2014; 80% on 1/19/2015; and 100% on 1/19/2016

(2) Restricted Stock Grant on 1/19/2006 vests 33% 1/19/2007; 66% 1/19/2008; 100% 1/19/2009

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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