

FIRST RELIANCE BANCSHARES INC
 Form 4
 April 20, 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 *
 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)
 3202 FOREST LAKE DRIVE
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 04/20/2006

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

FLORENCE, SC 29501
 (City) (State) (Zip)

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

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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | Code | V | Amount | (D) | Price |
| Common Stock | 04/17/2006 | | M | | 25,000 | A | \$ 5 |
| Common Stock | | | | | 10,392 | I | Spouse |
| 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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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 Amount of Underlying Security (Instr. 3 and 4) | Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|
| Option (right to buy) | \$ 5 | 04/17/2006 | | M | 25,000 | 08/16/2002 08/16/2009 | Common Stock | 25,000 |
| Option (right to buy) | \$ 8 | | | | | 06/30/2005 07/13/2013 | Common Stock | 50,300 |
| Option (right to buy) | \$ 11.5 | | | | | 05/10/2005 05/10/2015 | Common Stock | 35,000 |
| Stock Appreciation Rights | \$ 14.85 | | | | | 01/19/2012 01/19/2016 | Common Stock | 13,000 |

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. 04/20/2006

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).

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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