FREDS INC Form 4 October 14, 2008

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB APPROVAL

OMB 3235-0287 Number:

January 31, Expires: 2005

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response... 0.5

if no longer subject to Section 16. Form 4 or Form 5 obligations

Check this box

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(b).

may continue.

See Instruction

1. Name and Address of Reporting Person ** MURKS WAYNE			2. Issuer Name and Ticker or Trading Symbol	5. Relationship of Reporting Person(s) to Issuer		
			FREDS INC [FRED]	(Check all applicable)		
(Last) 4300 NEW Gl	(First) ETWELL	(Middle)	3. Date of Earliest Transaction (Month/Day/Year) 10/13/2008	Director 10% Owner _X_ 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 _ Form filed by More than One Reporting 		
MEMPHIS, TN 38118 (City) (State) (Zip)			Toble I. Non Donivetive Securities A.e.	Person		

(City)	(State) (Z	Zip) Table	e I - Non-Do	erivative S	Securi	ties Ac	quired, Disposed	of, or Beneficia	lly Owned
1.Title of	2. Transaction Date	2A. Deemed	3.	4. Securi	ties		5. Amount of	6. Ownership	7. Nature of
Security	(Month/Day/Year)	Execution Date, if	Transactio	onAcquired	d (A) c	or	Securities	Form: Direct	Indirect
(Instr. 3)		any	Code	Disposed	of (D))	Beneficially	(D) or	Beneficial
		(Month/Day/Year)	(Instr. 8)	(Instr. 3,	4 and	5)	Owned	Indirect (I)	Ownership
		•					Following	(Instr. 4)	(Instr. 4)
							Reported		
					(A)		Transaction(s)		
			~		or	~ .	(Instr. 3 and 4)		
			Code V	Amount	(D)	Price	· · · · · · · · · · · · · · · · · · ·		
Class A						Φ.Ω			
Common	10/13/2008		J (1)	5,000	D	\$0	14,354	D	
Stock				,		(3)	,		

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

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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 action Derivative Securities 8) Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		Securities Acquired (A) or Disposed of (D) (Instr. 3, 4,		onof Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4,		of Derivative Expiration Date Gecurities (Month/Day/Year) Acquired A) or Disposed of D) Instr. 3, 4,		7. Title and Amount of Underlying Securities (Instr. 3 and 4)	
				Code V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Option on Class A Common Stock	\$ 14.6 <u>(2)</u>	10/13/2008		J		1,200	09/08/2009	09/08/2011	Class A Common Stock	1,200				
Otpion on Class A Common Stock	\$ 13.25 (2)	10/13/2008		J		1,560	03/21/2011	03/21/2013	Class A Common Stock	1,560				

Reporting Owners

Reporting Owner Name / Address	Relationships								
1	Director	10% Owner	Officer	Other					
MIDVCWAVNE									

MURKS WAYNE 4300 NEW GETWELL MEMPHIS, TN 38118

Vice President

Signatures

Anita Ryan by Power of Attorney 10/14/2008

**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) Mr. Murks left the employ of Fred's and unvested portions of stock options and restricted stock has been cancelled.
- (2) Stock price refers to the grant price of the stock option being cancelled.
- (3) Restricted stock cancelled due to termination. No stock price.

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.

Reporting Owners 2