

Gabor Teresa
 Form 3
 May 14, 2010

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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INITIAL STATEMENT OF 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 *		2. Date of Event Requiring Statement	3. Issuer Name and Ticker or Trading Symbol	
Gabor Teresa		(Month/Day/Year)	FREDS INC [FRED]	
(Last)	(First)	05/03/2010		
4300 NEW GETWELL ROAD			4. Relationship of Reporting Person(s) to Issuer	5. If Amendment, Date Original Filed(Month/Day/Year)
(Street)			(Check all applicable)	
MEMPHIS, TN 38118			<input type="checkbox"/> Director <input type="checkbox"/> 10% Owner	6. Individual or Joint/Group Filing(Check Applicable Line)
(City)	(State)	(Zip)	<input checked="" type="checkbox"/> Officer <input type="checkbox"/> Other	<input checked="" type="checkbox"/> Form filed by One Reporting Person
			(give title below) (specify below)	<input type="checkbox"/> Form filed by More than One Reporting Person
			Vice President	

Table I - Non-Derivative Securities Beneficially Owned

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Class A Common Stock	1,180 ⁽¹⁾	D	

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

SEC 1473 (7-02)

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

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)	3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)	4. Conversion or Exercise Price of Derivative Security	5. Ownership Form of Derivative Security: Direct (D) or Indirect	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date	Title	Amount or Number of	

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				Shares		(I) (Instr. 5)	
Option on Class A Common Stock	03/11/2008 ⁽²⁾	09/11/2010 ⁽²⁾	Class A Common Stock	7,200 ⁽²⁾	\$ 17.67	D	Â
Option on Class A Common Stock	05/19/2008 ⁽³⁾	09/19/2010 ⁽³⁾	Class A Common stock	1,800 ⁽³⁾	\$ 20.6	D	Â
Option on Class A Common Stock	09/08/2009 ⁽⁴⁾	09/08/2011 ⁽⁴⁾	Class A Common Stock	3,000 ⁽⁴⁾	\$ 14.6	D	Â
Option on Class A Common stock	03/21/2011 ⁽⁵⁾	03/21/2013 ⁽⁵⁾	Class A Common Stock	1,800 ⁽⁵⁾	\$ 13.25	D	Â

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Gabor Teresa 4300 NEW GETWELL ROAD MEMPHIS, TN 38118	Â	Â	Â Vice President	Â

Signatures

Anita Ryan by power of attorney 05/13/2010

__Signature of Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 5(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) The employee has received shares with a restriction that will lapse 1/4 per year based on achievement of current year EPS and achievement of progressive increases in each subsequent year. Shares granted 5/3/2010.
 - (2) Employee received 7200 options on 03/11/2003 to purchase FRED at \$17.67. This is fully vested and expires 9/11/2010.
 - (3) Employee received 1800 options on 05/19/2003 to purchase FRED at \$20.60. They are fully vested and expire 9/19/2010.
 - (4) Employee received 3000 options on 9/8/2004 to purchase FRED at \$14.60. They are fully vested and expire 9/8/2011
 - (5) Employee received 1800 options on 3/21/2006 to purchase FRED at \$13.25. 1440 are fully vested with the remainder to vest 03/21/2011 and all expire 03/21/2013

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.