Brown James Ballister Form 4 May 05, 2011

FORM 4

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

OMB APPROVAL

OMB 3235-0287 Number:

January 31, Expires: 2005

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Check this box if no longer subject to Section 16. Form 4 or

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES**

Form 5 obligations may continue. See Instruction

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).

(Last)

(Print or Type Responses)

1. Name and Address of Reporting Person *

Brown James Ballister

(First)

(Middle)

4300 NEW GETWELL ROAD 05/03/2011

Symbol

(Street)

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

FREDS INC [FRED]

(Month/Day/Year)

3. Date of Earliest Transaction

5. Relationship of Reporting Person(s) to 2. Issuer Name and Ticker or Trading Issuer

(Check all applicable)

Director 10% Owner X_ Officer (give title _ Other (specify

below) below) VP

6. Individual or Joint/Group Filing(Check

Applicable Line)

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

Person

MEMPHIS, TN 38118

(City)	(State) (Z	(Zip) Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned								
1.Title of Security	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if	3. 4. Securities TransactionAcquired (5. Amount of Securities	6. Ownership Form: Direct	7. Nature of Indirect	
(Instr. 3)		any (Month/Day/Year)	Code (Instr. 8)	Disposed (Instr. 3,	,	1	Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	(D) or Indirect (I) (Instr. 4)	Beneficial Ownership (Instr. 4)	
Class A Common Stock	05/03/2011(1)		A <u>(1)</u>	457 (1)	A	\$ 0 (1)	2,288	D		
Class A Common Stock	05/03/2011(2)		A(2)	1,612 (2)	A	\$ 0 (2)	3,900 (2)	D		

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)

1. Title of Derivative	2. Conversion	3. Transaction Date (Month/Day/Year)	Execution Date, if	4. Transactio		6. Date Exercises Expiration D	ate	7. Title a	of	8. Price of Derivative	9. Nu Deriv
Security (Instr. 3)	or Exercise Price of		any (Month/Day/Year)	Code (Instr. 8)	of Derivative	(Month/Day/ e	i cai j	Underlyi Securitie	_	Security (Instr. 5)	Secur Bene
	Derivative				Securities			(Instr. 3	and 4)		Owne
	Security				Acquired (A) or						Follo Repo
					Disposed						Trans
					of (D) (Instr. 3,						(Instr
					4, and 5)						
								A	mount		
						Date	Expiration	or Title N	r Iumber		
					(4)	Exercisable	Date	of	f		
				Code V	(A) (D)			Sl	hares		

Reporting Owners

Reporting Owner Name / Address	Relationships						
Fg	Director	10% Owner	Officer	Other			
Brown James Ballister							
4300 NEW GETWELL ROAD			VP				
MEMPHIS, TN 38118							

Signatures

Anita Ryan by power of attorney **Signature of Reporting Person

05/05/2011 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) Shares vest 1 / 4 per year with the initial tranche vesting immediately.
- (2) Newly granted restricted shares will vest? per year if certain performance measures are met.

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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