

Vargas Marcia
Form 4/A
May 10, 2011

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 *
Vargas Marcia

(Last) (First) (Middle)

4300 NEW GETWELL ROAD

(Street)

MEMPHIS, TN 38118

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
FREDS INC [FRED]

3. Date of Earliest Transaction
(Month/Day/Year)
05/03/2011

4. If Amendment, Date Original Filed(Month/Day/Year)
05/05/2011

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

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)	(A) or (D)	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	Price		
Class A Common Stock	05/03/2011		J ⁽¹⁾		3,207 (1)	\$ 0 (1)	5,000	D
Class A Common Stock	05/03/2011 ⁽¹⁾		A ⁽¹⁾		3,009 (1)	\$ 0 (1)	8,009	D
Class A Common Stock	05/03/2011 ⁽²⁾		A ⁽²⁾		2,825 (2)	\$ 0 (2)	10,834	D
Class A Common	05/03/2011 ⁽³⁾		J ⁽³⁾		216 (3)	\$ 0	10,618	D

Stock

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 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 Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned (Instr. 6)
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Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Vargas Marcia 4300 NEW GETWELL ROAD MEMPHIS, TN 38118			SVP	

Signatures

Anita Ryan by power of attorney
05/10/2011
**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) Restricted shares cancelled due to performance and reissued at a lesser amount. These will vest 1 / 4 immediately and the remaining over the subsequent three years.
- (2) Newly granted restricted shares will vest 1/4 per year if certain performance measures are met.
- (3) Shares withheld to pay the taxes due on the lapse.

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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