Brown James Ballister Form 4 May 31, 2011

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

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).

(Print or Type Responses)

1. Name and Ao Brown Jame	•	rting Person *	2. Issuer Name and Ticker or Trading Symbol	5. Relationship of Reporting Person(s) to Issuer			
(Last) (First) (Middle)			FREDS INC [FRED] 3. Date of Earliest Transaction	(Check all applicable)			
4300 NEW GETWELL ROAD			(Month/Day/Year) 05/27/2011	Director 10% Own _X Officer (give title Other (special below) VP			
	(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			
MEMPHIS, TN 38118 (City) (State) (Zip)			Table I - Non-Derivative Securities A	Form filed by More than One Reporting Person quired, Disposed of, or Beneficially Own			

(State)	Table Table	e I - Non-D	erivative	Secur	ities Acq	uired, Disposed o	f, or Beneficial	ly Owned
2. Transaction Date	2A. Deemed	3.	4. Securi	ties A	equired	5. Amount of	6. Ownership	7. Nature of
(Month/Day/Year)	Execution Date, if	Transactio	on(A) or D	ispose	d of (D)	Securities	Form: Direct	Indirect
	any	Code	(Instr. 3,	4 and	5)	Beneficially	(D) or	Beneficial
	(Month/Day/Year)	(Instr. 8)				Owned	Indirect (I)	Ownership
						Following	(Instr. 4)	(Instr. 4)
				(4)		Reported		
						Transaction(s)		
		Code V	Amount	(D)	Price	(Instr. 3 and 4)		
					\$			
05/27/2011		S(1)	395	D	14.16 (1)	3,329	D	
	2. Transaction Date (Month/Day/Year)	2. Transaction Date 2A. Deemed (Month/Day/Year) Execution Date, if any (Month/Day/Year)	2. Transaction Date 2A. Deemed 3. (Month/Day/Year) Execution Date, if any Code (Month/Day/Year) (Instr. 8) Code V	2. Transaction Date 2A. Deemed 3. 4. Securi (Month/Day/Year) Execution Date, if any Code (Instr. 3, (Month/Day/Year) (Instr. 8) Code V Amount	2. Transaction Date 2A. Deemed 3. 4. Securities Ad (Month/Day/Year) Execution Date, if any (Month/Day/Year) (Instr. 3, 4 and (Month/Day/Year) (Instr. 8) (A) or Code V Amount (D)	2. Transaction Date 2A. Deemed 3. 4. Securities Acquired (Month/Day/Year) Execution Date, if any (Month/Day/Year) (Month/Day/Year) Code (Instr. 3, 4 and 5) (Instr. 8) (A) or Or Or Or Or Or Or Or	2. Transaction Date 2A. Deemed 3. 4. Securities Acquired 5. Amount of	2. Transaction Date 2A. Deemed 3. 4. Securities Acquired 5. Amount of 6. Ownership Form: Direct Code (Instr. 3, 4 and 5) Beneficially (D) or (Instr. 4) (Instr. 4)

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

Persons who respond to the collection of SEC 1474 information contained in this form are not (9-02)required to respond unless the form displays a currently valid OMB control number.

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	2.	3. Transaction Date		4.	5.	6. Date Exerc		7. Titl		8. Price of	9. Nu
Derivative	Conversion	(Month/Day/Year)	Execution Date, if	Transacti	orNumber	Expiration D	ate	Amou	ınt of	Derivative	Deriv
Security	or Exercise		any	Code	of	(Month/Day/	Year)	Under	lying	Security	Secui
(Instr. 3)	Price of		(Month/Day/Year)	(Instr. 8)	Derivative	e		Securi	ities	(Instr. 5)	Bene
	Derivative		•		Securities	3		(Instr.	3 and 4)		Owne
	Security				Acquired						Follo
					(A) or						Repo
					Disposed						Trans
					of (D)						(Instr
					(Instr. 3,						(2.11541
					4, and 5)						
					i, and 3)						
									Amount		
						Data	Evaluation		or		
						Date	Expiration	Title	Number		
						Exercisable	Date		of		
				Code V	(A) (D)				Shares		

Reporting Owners

Reporting Owner Name / Address	Relationships						
· · · · · · · · · · · · · · · · · · ·	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 Date

Explanation of Responses:

* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

05/31/2011

- ** 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 sold shares to the issuer, not on the open market.

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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