Gagne David Form 4 December 10, 2010

OMB APPROVAL FORM OMB 3235-0287 UNITED STATES SECURITIES AND EXCHANGE Number: **COMMISSION** January 31, Expires: 2005 Washington, D.C. 20549 Estimated average Check this burden hours per box if no STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP response... 0.5 longer subject **OF SECURITIES** to Section 16. Form 4 or Form 5 Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, obligations Section 17(a) of the Public Utility Holding Company Act of 1935 or may continue. Section 30(h) of the Investment Company Act of 1940 See Instruction 1(b). (Print or Type Responses) 1. Name and Address of Reporting Person 5. Relationship of Reporting Person(s) to 2. Issuer Name and Ticker or Trading Issuer Symbol Gagne David FREDS INC [FRED] (Check all applicable) (Middle) (Last) (First) 3. Date of Earliest Transaction (Month/Day/Year) 10% Owner Director _X__ Officer (give 4300 NEW GETWELL Other (specify 08/10/2009 title below) below) Vice President (Street) 4. If Amendment, Date Original 6. Individual or Joint/Group Filing(Check Filed(Month/Day/Year) Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting MEMPHIS, TN 38118 Person (City) (State) (Zip) Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned 1.Title of 2. Transaction Date 2A. Deemed 4. Securities 5. Amount of 7. Nature of Security (Month/Day/Year) Execution Date, if TransactionAcquired (A) or Securities Ownership Indirect (Instr. 3) Code Disposed of (D) Beneficially Form: Beneficial Direct (D) Ownership (Instr. 8) (Instr. 3, 4 and 5) (Month/Day/Year) Owned Following or Indirect (Instr. 4) Reported (I) (A) Transaction(s) (Instr. 4) or (Instr. 3 and 4) Code V Amount (D) Price Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly. Persons who respond to SEC 1474 the collection of (9-02)information contained in this form are not 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)

Edgar Filing: Gagne David - Form 4

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	4. Transactic Code (Instr. 8)	Derivative	6. Date Exercisabl Date (Month/Day/Year)	•	7. Title and Underlying (Instr. 3 an
			Code V	(A) (D)	Date Exercisable	Expiration Date	Title

Option on

Class A \$ 13.12 08/10/2009 1,500 08/10/2014(1) 08/10/2016(1) Common A Common Stock

Class A

Stock

Reporting Owners

Relationships

Reporting Owner Name / Address 10% Owner Officer Other Director

Gagne David

4300 NEW GETWELL Vice President

MEMPHIS, TN 38118

Signatures

Anita Ryan by power of 12/10/2010 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).
- Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Option vests 20% per year for the first five years.

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.