

PAOLUCCI JEFFREY A

Form 4

February 28, 2007

FORM 4**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

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

OMB APPROVAL

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(Print or Type Responses)

1. Name and Address of Reporting Person *
PAOLUCCI JEFFREY A

2. Issuer Name **and** Ticker or Trading
Symbol
FIRST RELIANCE BANCSHARES
INC [FSRL]

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

(Last) (First) (Middle)
2815 ALBERTI DRIVE
(Street)

3. Date of Earliest Transaction
(Month/Day/Year)
02/28/2007

____ Director ____ 10% Owner
____X____ Officer (give title below) ____ Other (specify below)
Senior Vice President and CFO

FLORENCE, SC 29501

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
____ Form filed by More than One Reporting
Person

(City) (State) (Zip)

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)	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 Indirect Beneficial Ownership (Instr. 4)
Common Stock	01/19/2007		A	550 (A) or (D) Price \$ 0 (1)	12,091	D	
Common Stock					512	I	Spouse

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

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information contained in this form are not
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(9-02)

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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)	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Option (right to buy)	\$ 8.32					06/30/2005	01/01/2013	Common Stock	10,000
Option (right to buy)	\$ 11.5					06/30/2005	08/15/2014	Common Stock	10,000
Stock Appreciation Rights	\$ 14.85					01/19/2012	01/19/2016	Common Stock	7,552
Stock Appreciation Rights	\$ 15					01/19/2007	01/19/2017 ⁽²⁾	Common Stock	8,594

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
PAOLUCCI JEFFREY A 2815 ALBERTI DRIVE FLORENCE, SC 29501	Senior Vice President and CFO

Signatures

/s/ Jeff Paolucci 02/28/2007

__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 Stock Grant on 1/19/2007 vest 100% on 1/19/2010
- (2) Stock Appreciation Rights 1/19/2007 Award vest 20% on 1/19/2013; 40% on 1/19/2014; 60% on 1/19/2015; 80% on 1/19/2016; 100% on 1/19/2017

Remarks:

Explanation of Responses: Does not reflect any new transaction. Correction for overstatement of indirect shares owned by Mr. Paolucci's wife

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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