

FIRST RELIANCE BANCSHARES INC  
 Form 4  
 March 09, 2006

**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 \*  
**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)  
**03/09/2006**

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
**Senior Vice President**

**FLORENCE, SC 29501**  
 (City) (State) (Zip)

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

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) | 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 (A) or (D) Price   |   |  |                                   |
| Common Stock                    | 01/19/2006                           |  | A                              | 0 <sup>(1)</sup> A \$ 483   | 11,541  | D  |                                   |
| Common Stock                    |                                      |  |                                |   | 720   | I  | Spouse                            |

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 Security (Instr. 3 and 4) | Am or Nur of S |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------|
| Stock Appreciation Right                   | \$ 14.85   | 01/19/2006                           |  | A                              | 7,552   | 01/19/2012 <sup>(2)</sup> 01/19/2016                     | Common Stock  | 7,             |
| Option (right to buy)                      | \$ 8.32  |                                      |  |                                |   | 06/30/2005 01/01/2013                                    | Common Stock  | 10,            |
| Option (right to buy)                      | \$ 11.5  |                                      |  |                                |   | 06/30/2005 08/15/2014                                    | Common Stock  | 10,            |

## Reporting Owners

| Reporting Owner Name / Address                                 | Relationships |           |                       |       |
|--|---------------|-----------|-----------------------|-------|
|  | Director      | 10% Owner | Officer               | Other |
| PAOLUCCI JEFFREY A<br>2815 ALBERTI DRIVE<br>FLORENCE, SC 29501 |               |           | Senior Vice President |       |

## Signatures

/s/ Jeffrey A. Paolucci 03/09/2006

\*\*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 1/19/2006. Award vests 33% on 1/19/2007; 66% 1/19/2008; 100% 1/19/2009

(2) Stock Appreciation Rights 1/19/2006. Award vests 20% 1/19/2012; 40% 1/19/2013; 60% 1/19/2014; 80% 1/19/2015; 100% 1/19/2016

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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