PAOLUCCI JEFFREY A

Form 4

February 28, 2007

FORM 4

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

OMB Number: 3235-0287

Check this box if no longer subject to Section 16.

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Expires: January 31, 2005

0.5

OMB APPROVAL

Form 4 or Form 5 obligations may continue.

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

burden hours per response...

Estimated average

See Instruction 1(b).

1(b).

Common

Stock

(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 | | | | | 5. Relationship of Reporting Person(s) to Issuer (Check all applicable) | | | |
|--|---|----------|--|---|------------|--|----------------|--|--|---|--|
| | INC [FSRL] | | | | | (Check an approach) | | | | | |
| (Last) | (First) | (Middle) | 3. Date of Earliest Transaction | | | Director _X_ Officer (given | | 6 Owner er (specify | | | |
| 2815 ALBERTI DRIVE | | | (Month/Day/Year) 02/28/2007 | | | | | below) Senior Vice President and CFO | | | |
| | 4. If Amendment, Date Original | | | | | 6. Individual or Joint/Group Filing(Check | | | | | |
| FLORENCE | Filed(Month/Day/Year) | | | | | 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 Ow | | | | | | | | | lly Owned | |
| 1.Title of Security (Instr. 3) | | any | | med 3. on Date, if Transactic Code Day/Year) (Instr. 8) | | ties I (A) of I of (D A and (A) |)) | Securities Beneficially Owned Following Reported | Form: Direct Indire (D) or Benef Indirect (I) Owne | 7. Nature of Indirect Beneficial Ownership (Instr. 4) | |
| Common Stock | 01/19/2007 | | | Code V | Amount 550 | or | Price \$ 0 (1) | Transaction(s) (Instr. 3 and 4) 12,091 | D | | |

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474

(9-02)

512

I

Spouse

Edgar Filing: PAOLUCCI JEFFREY A - Form 4

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. Transactic Code (Instr. 8) | 5. onNumber of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 5 | re e | 7. Title and Amount o Underlying Securities (Instr. 3 and 4) | |
|---|---|---|---|--|---|---------------------|-----------------|--|------------------------------------|
| | | | | Code V | (A) (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Share |
| 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 Date
Reporting Person

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

Reporting Owners 2

Edgar Filing: PAOLUCCI JEFFREY A - Form 4

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. 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.