

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 ⁽¹⁾ 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)	8. Amount or Number of Shares
Stock Appreciation Right	\$ 14.85	01/19/2006		A	7,552	01/19/2012 ⁽²⁾ 01/19/2016	Common Stock	7,552
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

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
PAOLUCCI JEFFREY A 2815 ALBERTI DRIVE 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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