

FIRST RELIANCE BANCSHARES INC

Form 4

April 20, 2006

**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 \*  
SAUNDERS PAUL C

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)

2066 WREN CREEK COURT

(Street)

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

04/20/2006

\_\_\_\_ Director \_\_\_\_ 10% Owner  
\_\_\_\_X\_\_\_\_ Officer (give title \_\_\_\_ Other (specify  
below) below)

Senior Vice President

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

FLORENCE, SC 29501

(City) (State) (Zip)

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

| 1. Title of<br>Security<br>(Instr. 3) | 2. Transaction Date<br>(Month/Day/Year) | 2A. Deemed<br>Execution Date, if<br>any<br>(Month/Day/Year) | 3. Transaction<br>Code<br>(Instr. 8) | 4. Securities<br>Acquired (A) or<br>Disposed of (D)<br>(Instr. 3, 4 and 5) | 5. Amount of<br>Securities<br>Beneficially<br>Owned<br>Following<br>Reported<br>Transaction(s)<br>(Instr. 3 and 4) | 6. Ownership<br>Form: Direct<br>(D) or<br>Indirect (I)<br>(Instr. 4) | 7. Nature of<br>Indirect<br>Beneficial<br>Ownership<br>(Instr. 4) |
|---------------------------------------|-----------------------------------------|-------------------------------------------------------------|--------------------------------------|----------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|-------------------------------------------------------------------|
| Common<br>Stock                       | 03/28/2006                              |                                                             | A                                    | 52<br>A                                                                    | \$ 0<br>(1)<br>60,295                                                                                              | 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  
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SEC 1474  
(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned  
(e.g., puts, calls, warrants, options, convertible securities)**

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| 1. Title of<br>Derivative<br>Security<br>(Instr. 3) | 2.<br>Conversion<br>or Exercise<br>Price of<br>Derivative<br>Security | 3. Transaction Date<br>(Month/Day/Year) | 3A. Deemed<br>Execution Date, if<br>any<br>(Month/Day/Year) | 4.<br>Transaction<br>Code<br>(Instr. 8) | 5. Number<br>of<br>Derivative<br>Securities<br>Acquired<br>(A) or<br>Disposed<br>of (D)<br>(Instr. 3, 4,<br>and 5) | 6. Date Exercisable and<br>Expiration Date<br>(Month/Day/Year) |     | 7. Title and Amount<br>Underlying Securities<br>(Instr. 3 and 4) |                    |                 |                                     |
|-----------------------------------------------------|-----------------------------------------------------------------------|-----------------------------------------|-------------------------------------------------------------|-----------------------------------------|--------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|-----|------------------------------------------------------------------|--------------------|-----------------|-------------------------------------|
|                                                     |                                                                       |                                         |                                                             | Code                                    | V                                                                                                                  | (A)                                                            | (D) | Date Exercisable                                                 | Expiration<br>Date | Title           | Amount<br>or<br>Number<br>of Shares |
| Stock<br>Appreciation<br>Right                      | \$ 16.1                                                               | 03/28/2006                              |                                                             | A                                       | 820                                                                                                                |                                                                |     | 03/28/2012 <sup>(2)</sup>                                        | 03/28/2016         | Common<br>Stock | 820                                 |
| Option (right<br>to buy)                            | \$ 5                                                                  |                                         |                                                             |                                         |                                                                                                                    |                                                                |     | 08/16/2002                                                       | 08/16/2009         | Common<br>Stock | 55,000                              |
| Option (right<br>to buy)                            | \$ 8                                                                  |                                         |                                                             |                                         |                                                                                                                    |                                                                |     | 06/30/2005                                                       | 07/13/2013         | Common<br>Stock | 50,300                              |
| Option (right<br>to buy)                            | \$ 11.5                                                               |                                         |                                                             |                                         |                                                                                                                    |                                                                |     | 05/10/2005                                                       | 05/10/2015         | Common<br>Stock | 35,000                              |

## Reporting Owners

| Reporting Owner Name / Address                                 | Relationships |           |                       |       |
|----------------------------------------------------------------|---------------|-----------|-----------------------|-------|
|                                                                | Director      | 10% Owner | Officer               | Other |
| SAUNDERS PAUL C<br>2066 WREN CREEK COURT<br>FLORENCE, SC 29501 |               |           | Senior Vice President |       |

## Signatures

/s/ Paul C.  
Saunders

04/20/2006

\*\*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 3/28/2006 vests 33% 3/28/2007; 66% 3/28/2008; and 100% 3/28/2009

(2) Stock Appreciation Rights grant on 3/28/2006 vest 20% on 3/28/2012; 40% on 3/28/2013; 60% on 3/28/2014; 80% on 3/28/2015; and 100% on 3/28/2016.

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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