

DIXIE GROUP INC  
Form 4  
March 13, 2007

**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 \*  
Frierson Daniel K Jr

(Last) (First) (Middle)  
2208 SOUTH HAMILTON STREET  
(Street)

DALTON, GA 30721

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
DIXIE GROUP INC [DXYN]

3. Date of Earliest Transaction  
(Month/Day/Year)  
03/12/2007

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
VP & Pres. Masland Residential

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)
				(A) or (D)	Price		
Common Stock, \$3 par value	03/12/2007		M	340 <sup>(1)</sup>	A \$ 7.66	2,012 <sup>(2)</sup>	D
Class B Common Stock, \$3 par value	03/12/2007		M	8,763 <sup>(1)</sup>	A \$ 7.66	51,878	D
Class B Common Stock, \$3 par value	03/12/2007		F	5,153	D \$ 13.53	46,725	D

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

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(9-02)

**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)	Amount or Number of Shares
Employee Stock Option/Right to Buy	\$ 7.66	03/12/2007		M	9,103	11/02/2002 05/02/2007	Common Stock, \$3 par value	9,103

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Frierson Daniel K Jr 2208 SOUTH HAMILTON STREET DALTON, GA 30721			VP & Pres.	Masland Residential

## Signatures

/s/ John F. Henry Jr., by Power of Attorney for Daniel K. Frierson, Jr. 03/13/2007

\_\_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) Represents exercise of incentive stock option and simultaneous election to take a portion of shares received as Common and Class B Common Stock.
- (2) Includes 1,320 share allocated to the reporting person's account under the issuer's 401-k Plan.

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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