

SAUNDERS PAUL C
Form 4/A
February 28, 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 *
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)
02/28/2007

____ Director
 Officer (give title below) _____ 10% Owner
_____ Other (specify below)
Senior Vice President

FLORENCE, SC 29501

(City) (State) (Zip)

4. If Amendment, Date Original Filed(Month/Day/Year)
01/19/2007

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 | | |
| | | | Code | V | Amount | (D) | |
| Common Stock | 01/19/2007 | | A | 92 | A | \$ 0 (1) | 56,687 D |

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

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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 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) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| Option (right to buy) | \$ 5 | | | | | 08/16/2002 08/16/2009 | Common Stock 55,000 |
| Option (right to buy) | \$ 8 | | | | | 06/30/2005 07/13/2013 | Common Stock 50,371 |
| Option (right to buy) | \$ 11.5 | | | | | 05/10/2005 05/10/2015 | Common Stock 35,000 |
| Stock Appreciation Rights | \$ 16.1 | | | | | 03/28/2012 03/28/2016 | Common Stock 820 |
| Stock Appreciation Rights | \$ 15 | | | | | 01/19/2007 01/19/2017 ⁽²⁾ | Common Stock 1,432 |

Reporting Owners

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

Signatures

/s/ Paul Saunders 02/28/2007

**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) 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

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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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