

DIXIE GROUP INC

Form 4

March 13, 2007

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

OMB
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(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
X Officer (give title below) ____ Other (specify below)

VP & Pres. Masland Residential

6. Individual or Joint/Group Filing(Check
Applicable Line)
X 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 Indirect Beneficial Ownership (Instr. 4)
Common Stock, \$3 par value	03/12/2007		M	340 ⁽¹⁾	A \$ 7.66 2,012 ⁽²⁾	D	
Class B Common Stock, \$3 par value	03/12/2007		M	8,763 ⁽¹⁾	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 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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