

DILLARDS INC
Form 4
November 17, 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 *
FREEMAN JAME I

(Last) (First) (Middle)

1600 CANTRELL ROAD

(Street)

LITTLE ROCK, AR 72201

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
DILLARDS INC [DDS]

3. Date of Earliest Transaction (Month/Day/Year)
11/15/2006

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)

Senior VP, CFO

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 Indirect Beneficial Ownership (Instr. 4)
			Code	V Amount (A) or (D) Price			
Common Class A	11/15/2006		M	49,384 A \$ 26.455	243,549	D	
Common Class A	11/15/2006		F	41,078 D \$ 35.975	202,471	D	
Common Class A	11/15/2006		M	43,659 A \$ 26.455	246,130	D	
Common Class A	11/15/2006		F	36,316 D \$ 35.975	211,566 ⁽¹⁾	D	
Dillard's Capital Trust 1					22,850	D	

7.5%
Capital

Common
Class A -
Retirement
Plan

9,645 D

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 Securities (Instr. 3 and 4)	Amount or Number of Shares	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option	\$ 26.455	11/15/2006		M	49,384	01/11/2005 12/15/2007	Common Class A	49,384	
Employee Stock option	\$ 26.455	11/15/2006		M	43,659	01/11/2006 12/15/2007	Common Class A	43,659	

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
FREEMAN JAME I 1600 CANTRELL ROAD LITTLE ROCK, AR 72201	X		Senior VP, CFO	

Signatures

/s/ James I.
Freeman 11/17/2006

**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) Total includes 1,752. shares of Class A acquired under 401(k) plan Exempt Under Rule 16b-3(c).

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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