

Riley Christopher N
 Form 4
 March 23, 2007

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549**

OMB APPROVAL

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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 *
 Riley Christopher N

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)
 03/22/2007

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

VP Product Quality-Development

PO BOX 11467

(Street)

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

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

MOBILE, AL 36671-0467

(City) (State) (Zip)

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)
			Code	V	Amount (A) or (D) Price		
Common Stock, \$3 par value	03/22/2007		S		2,000 D \$ 12.3564	24,777	D
Common Stock, \$3 par value	03/22/2007		M		1,250 A \$ 6.96	26,027	D
Common Stock, \$3 par value	03/22/2007		M		1,250 A \$ 6.96	27,277	D
Common Stock, \$3	03/22/2007		F		1,392 D \$ 12.5	25,855 ⁽²⁾	D

⁽¹⁾

par value

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		6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Security (Instr. 3 and 4)	
								Title	Amount or Number of Shares
					(A) Acquired	(D) Disposed of (Instr. 3, 4, and 5)			
Employee Stock Option/Right To Buy	\$ 6.96	03/22/2007		M	1,250		05/02/2005 05/02/2012	Common Stock, \$3 par value	1,250
Employee Stock Option/Right To Buy	\$ 6.96	03/22/2007		M	1,250		05/02/2006 05/02/2012	Common Stock, \$3 par value	1,250

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Riley Christopher N PO BOX 11467 MOBILE, AL 36671-0467			VP Product Quality-Development	

Signatures

/s/ John F. Henry, Jr., by Power of Attorney for Christopher N. Riley

03/23/2007

**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 shares surrendered to exercise employee stock options.
 - (2) Includes 8,182 shares of restricted stock.

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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