Clark Terry W Form 4 March 16, 2011

FORM 4

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

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OMB APPROVAL

if no longer subject to Section 16. Form 4 or Form 5 obligations may continue.

See Instruction

Check this box

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

(Print or Type Responses)

1(b).

(Last)

1. Name and Address of Reporting Person * Clark Terry W

2. Issuer Name and Ticker or Trading Symbol

5. Relationship of Reporting Person(s) to Issuer

DIXIE GROUP INC [DXYN] 3. Date of Earliest Transaction

(Check all applicable)

(First) 2208 S. HAMILTON STREET

(Street)

(Middle)

(Month/Day/Year) 03/14/2011

Director 10% Owner Other (specify X_ Officer (give title

below) **VP** Manufacturing

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

6. Individual or Joint/Group Filing(Check

Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting

Person

DALTON, GA 30721

| (City) | (State) (Z | Zip) Table | I - Non-Do | erivative : | Securi | ities Acq | quired, Disposed o | of, or Beneficial | ly Owned |
|--------------------------------------|---|---|--|--------------|----------|------------|--|--|---|
| 1.Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | cution Date, if Transaction(A) or Code (D) | | <u>*</u> | | 5. Amount of Securities Beneficially Owned Following Reported | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
| | | | Code V | Amount | or | Price | Transaction(s) (Instr. 3 and 4) | | |
| Common Stock, \$3 par value | 03/14/2011 | | F | 1,943 (1) | D | \$ 4.56 | 15,672 | D | |
| Common Stock, \$3 par value | 03/14/2011 | | A | 7,400 (2) | A | \$ 0 | 23,072 | 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 | 2. | 3. Transaction Date | | 4. | 5. | 6. Date Exer | | 7. Title | | 8. Price of | 9. Nu |
|-------------|-------------|---------------------|--------------------|------------|------------|----------------|------------|----------|----------|-------------|--------|
| Derivative | Conversion | (Month/Day/Year) | Execution Date, if | Transacti | orNumber | Expiration D | ate | Amou | nt of | Derivative | Deriv |
| Security | or Exercise | | any | Code | of | (Month/Day/ | Year) | Under | lying | Security | Secur |
| (Instr. 3) | Price of | | (Month/Day/Year) | (Instr. 8) | Derivative | e | | Securi | ties | (Instr. 5) | Bene |
| | Derivative | | | | Securities | | | (Instr. | 3 and 4) | | Own |
| | Security | | | | Acquired | | | | | | Follo |
| | | | | | (A) or | | | | | | Repo |
| | | | | | Disposed | | | | | | Trans |
| | | | | | of (D) | | | | | | (Instr |
| | | | | | (Instr. 3, | | | | | | |
| | | | | | 4, and 5) | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | Amount | | |
| | | | | | | Date | Expiration | | or | | |
| | | | | | | Exercisable | Date | Title | Number | | |
| | | | | | | Excicisable Da | Date | | of | | |
| | | | | Code V | (A) (D) | | | | Shares | | |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | | | | |
|--|---------------|-----------|---------------------|-------|--|--|--|
| Treporting O when I wante / I was ess | Director | 10% Owner | Officer | Other | | | |
| Clark Terry W 2208 S. HAMILTON STREET DALTON, GA 30721 | | | VP Manufacturing | | | | |

Signatures

/s/ John F. Henry, Jr., by Power of Attorney for Terry W. Clark

03/16/2011

**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).
- Represents shares surrendered to Company to satisfy income tax withholding requirements with respect to vesting of an outstanding **(1)** award of restricted stock.
- (2) Represents an award of restricted stock consisting of 7,400 Career Shares.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.

Reporting Owners 2