DIXIE GROUP INC

Form 4

March 03, 2009

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB

OMB APPROVAL

Number:

3235-0287

Expires:

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Check this box if no longer subject to Section 16. Form 4 or Form 5

obligations

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

may continue. See Instruction

1(b).

(Print or Type Responses)

| 1. Name and Address of Reporting Person * DEMPSEY KENNETH L | | | 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 | (Check all applicable) | | | |
| 716 BILL MYLES DR | | | (Month/Day/Year) 03/03/2009 | Director 10% Owner _X_ Officer (give title Other (specify below) VP & Pres. Masland Commercial | | | |
| (Street) | | | 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 | | | |
| SARALAND, AL 36571 | | | | | | | |

| (City) | (State) | (Zip) Tabl | le I - Non-I | Derivative | Secu | rities Acqu | ired, Disposed of | , or Beneficiall | y Owned |
|--------------------------------------|---|---|--|----------------------------------|------------------------------|--------------|--|--|---|
| 1.Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transactic Code (Instr. 8) | 4. Securi on(A) or Di (Instr. 3, | ispose 4 and (A) or | d of (D) | 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 | 03/03/2009 | | P | 8,500 | A | \$ 1 | 40,269 | D | |
| Common Stock, \$3 par value | 03/03/2009 | | P | 1,500 | A | \$ 0.0998 | 41,769 | 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 | Number | | | |
| | | | | | | Lacicisable | Date | | of | | |
| | | | | Code V | (A) (D) | | | | Shares | | |

Reporting Owners

Relationships Reporting Owner Name / Address

> Officer Other Director 10% Owner

DEMPSEY KENNETH L 716 BILL MYLES DR SARALAND, AL 36571

VP & Pres. Masland Commercial

Signatures

John F. Henry, Jr., by Power of Attorney for Kenneth L. Dempsey

03/03/2009

**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).

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