

DILLARDS INC
 Form 4
 November 17, 2006

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
 Expires: January 31, 2005
 Estimated average burden hours per response... 0.5

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 *
DILLARD MIKE

(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)
 Executive Vice President

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 (D) Price			
Common Class A	11/15/2006		M	54,644 A \$ 26.57	459,859	D	
Common Class A	11/15/2006		F	46,565 D \$ 35.975	413,294	D	
Common Class A	11/15/2006		M	27,382 A \$ 26.57	440,676	D	
Common Class A	11/15/2006		F	22,617 D \$ 35.975	418,059	D	
Common Class A - Retirement					23,727	D	

Plan		
Dillard's Capital Trust 1 7.5% Capital	3,885	D
Common Class A	41,496 ⁽¹⁾	D
Common Class B	3,985,776 ⁽²⁾	D
Common Class A	26,215 ⁽³⁾	D
Common Class A	295,014 ⁽⁴⁾	D

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474
(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 of Underlying Securities (Instr. 3 and 4)	Amount or Number of Shares	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	
Employee Stock Option	\$ 26.57	11/15/2006		M	54,644	01/13/2005 12/10/2006	Common Class A	54,644	
Employee Stock Option	\$ 26.57	11/15/2006		M	27,382	01/13/2006 12/10/2006	Common Class A	27,382	

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

DILLARD MIKE
1600 CANTRELL ROAD X X Executive Vice President
LITTLE ROCK, AR 72201

Signatures

Mike Dillard 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) Stock Bonus Award
- (2) 3,985,776 Class B Shares By W.D. Company. Reporting person owns 26.27%. This is W.D. Co.'s entire interest.
- (3) Co-Trustee and co-beneficiary of WTD Exemption Trust.
- (4) Co-Trustee of WTD Exemption Trust.

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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