

DILLARD MIKE
Form 4
January 24, 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 *
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)
01/20/2006

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	(A) or (D)	Price
Common Class A	01/20/2006		M		100,000	A	\$ 25.125
Common Class A	01/20/2006		F		97,883	D	\$ 25.95
Common Class A	01/20/2006		M		150,000	A	\$ 24.01
Common Class A	01/20/2006		F		142,740	D	\$ 25.95
Dillard's Capital Trust 1							3,885

7.5%
Capital
Securities

Common Class A	41,496	D
Common Class B	3,985,776	D
Common Class A - Retirement Plan	22,294	D

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 Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Underlying Security (Instr. 3 and 4)
				Code V (A) (D)		Date Exercisable Expiration Date	Title
Employee Stock Option	\$ 25.125	01/20/2006		M	100,000	02/05/1999 02/05/2006	Common Class A
Employee Stock Option	\$ 25.95	01/20/2006		F	97,883	01/20/2006 02/06/2006	Common Class A
Employee Stock Option	\$ 24.01	01/20/2006		M	150,000	05/14/2002 05/14/2009	Common Class A
Employee Stock Option	\$ 25.95	01/20/2006		F	142,740	01/20/2006 05/14/2009	Common Class A

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 01/23/2006

 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) Col 5 includes 4,172 shares of Class A acquired under Rule 16(b)-3(c).

Remarks:

Common Class A 41,496 Shares By W.D Company. Reporting person owns 26.27% interest in W.D. Co.. This is W.D.
Common Class B 3,985,776 Shares By W.D. Company. Reporting person owns 26.27% interest in W.D. Co.. This is W.D.

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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