CARTERS INC Form 4

February 20, 2007

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB

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OMB APPROVAL

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

Form 5 Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, obligations Section 17(a) of the Public Utility Holding Company Act of 1935 or Section may continue.

See Instruction

30(h) of the Investment Company Act of 1940

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * CASEY MICHAEL DENNIS

2. Issuer Name and Ticker or Trading Symbol

5. Relationship of Reporting Person(s) to Issuer

below)

(Last)

(First) (Middle) CARTERS INC [CRI] 3. Date of Earliest Transaction

(Month/Day/Year) 02/15/2007

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

(Check all applicable)

Executive V.P. and CFO

C/O CARTER'S, INC., THE PROSCENIUM, 1170 PEACHTREE

(Street)

(State)

STREET NE, SUITE 900

6. Individual or Joint/Group Filing(Check

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

3.

Applicable Line)

X Form filed by One Reporting Person Form filed by More than One Reporting

ATLANTA, GA 30309

(City)

Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of 2. Transaction Date 2A. Deemed Security (Month/Day/Year) Execution Date, if (Instr. 3) (Month/Day/Year)

(Zip)

Transaction(A) or Disposed of Code (D) (Instr. 3, 4 and 5) (Instr. 8)

4. Securities Acquired 5. Amount of 6. Ownership 7. Nature of Securities Form: Direct Indirect Beneficially (D) or Beneficial Ownership Owned Indirect (I) (Instr. 4) Following (Instr. 4)

Reported (A) Transaction(s) or (Instr. 3 and 4)

(D) Amount

Code V Price

 $200,312^{(2)}$ D

Common Stock

02/15/2007

 $A^{(1)}$ \$0 12,000 Α

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

Persons who respond to the collection of SEC 1474 information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

(9-02)

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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. Transacti Code (Instr. 8)	5. Number of orDerivative 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)	
				Code V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option (Right to Buy)	\$ 3.08 (3)						<u>(4)</u>	08/15/2011	Common Stock	389,688 (5)
Employee Stock Option (Right to Buy)	\$ 14.81 (3)						<u>(6)</u>	03/22/2014	Common Stock	200,000 (5)
Employee Stock Option (Right to Buy)	\$ 34.32 (<u>3)</u>						<u>(7)</u>	02/16/2016	Common Stock	12,000 (5)
Employee Stock Option (Right to Buy)	\$ 22.19 (3)	02/15/2007		A	12,00	0	(8)	02/15/2017	Common Stock	12,000 (5)

Reporting Owners

Reporting Owner Name / Address	Relationships						
	Director	10% Owner	Officer	Other			

CASEY MICHAEL DENNIS C/O CARTER'S, INC., THE PROSCENIUM 1170 PEACHTREE STREET NE, SUITE 900 ATLANTA, GA 30309

Executive V.P. and CFO

Dolotionchine

Signatures

/s/ Michael D.

Casey 02/20/2007

**Signature of Date Reporting Person

Reporting Owners 2

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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) These shares are subject to restrictions that lapse upon the satisfaction of certain time and service conditions.
- (2) The amount of securities beneficially owned following the transactions reported in this Form 4 reflects a two-for-one stock split effected on June 6, 2006 (the "Stock Split").
- (3) The exercise price of the derivative securities reported in this Form 4 reflects the Stock Split.
- (4) These options are all exercisable.
- (5) The amount of derivative securities beneficially owned following the transactions reported in the Form 4 reflects the Stock Split.
- (6) These options are exercisable in five equal annual installments beginning on March 22, 2005.
- (7) These options are exercisable in four equal annual installments beginning on February 16, 2007.
- (8) These options are exercisable in four equal annual installments beginning on February 15, 2008.

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.