Hubbard Walter W Form 4 January 18, 2006

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB APPROVAL OMB

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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).

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)

(Last)

(City)

1. Name and Address of Reporting Person *

Hubbard Walter W

(First) (Middle)

2. Issuer Name and Ticker or Trading Symbol

DIXIE GROUP INC [DXYN]

3. Date of Earliest Transaction (Month/Day/Year)

18238 MAINSAIL POINTE DRIVE 01/17/2006

(Zip)

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

5. Relationship of Reporting Person(s) to

Issuer

(Check all applicable)

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

6. Individual or Joint/Group Filing(Check Applicable Line)

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

CORNELIUS, NC 28031

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

(State)

4. Securities Acquired Transaction(A) or Disposed of (D) Code (Instr. 3, 4 and 5) (Month/Day/Year) (Instr. 8)

(A)

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

Amount (D)

(Instr. 3 and 4) Price

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

Common

Stock, \$3 01/17/2006 par value

 $A^{(1)}$ 440 13.63

440

D

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. Transactic Code (Instr. 8)	5. onNumber of Derivative Securities Acquired (A) or Disposed of (D)			7. Title Amoun Underly Securiti (Instr. 3	unt of rlying	8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Owne Follo Repo Trans (Instr
				Code V	(Instr. 3, 4, and 5) (A) (D)	Date Exercisable	Expiration Date	Title N	Amount or Number of Shares		

Reporting Owners

Reporting Owner Name / Address	Relationships						
. 0	Director	10% Owner	Officer	Other			
Hubbard Walter W							
18238 MAINSAIL POINTE DRIVE	X						

Signatures

CORNELIUS, NC 28031

John F. Henry, Jr, by power of attorney for Walter W. Hubbard

01/18/2006 Date

**Signature of Reporting Person

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) Award of Performance Units (each representing one share of Common Stock) under the Issuer's Director Stock Plan, as payment of one-half of non-employee director's annual retainer.

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.

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