

ROWAN FREDERICK J II
Form 4
May 01, 2007

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 *
ROWAN FREDERICK J II

(Last) (First) (Middle)

C/O CARTER'S, INC., THE
PROSCENIUM, 1170 PEACHTREE
ST. NE, SUITE 900

(Street)

ATLANTA, GA 30309

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
CARTERS INC [CRI]

3. Date of Earliest Transaction
(Month/Day/Year)
04/27/2007

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)
Chief Executive Officer

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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|--|
| | | | | (A) or (D) | Price | | |
| | | | | Code | V | Amount | |
| Common Stock | 04/27/2007 | | M | | 272,000 | A | \$ 0.75 272,000 D |
| Common Stock | 04/27/2007 | | S | | 272,000 | D | \$ 26.8748 0 D |

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

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(9-02)

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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 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 Security (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| | | | | Code | V (A) (D) | Date Exercisable Expiration Date | Title Amount Number of Shares |
| Rolled Employee Stock Option (Right to Buy) | \$ 0.75 | 04/27/2007 | | M | 272,000 | ⁽²⁾ 08/15/2011 | Common Stock 686 |
| Performance Employee Stock Option (Right to Buy) | \$ 22.01 | | | | | ⁽³⁾ 05/13/2012 | Common Stock 400 |
| Employee Stock Option (Right to Buy) | \$ 3.08 | | | | | ⁽⁴⁾ 08/15/2011 | Common Stock 1,06 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|-------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| ROWAN FREDERICK J II C/O CARTER'S, INC., THE PROSCENIUM 1170 PEACHTREE ST. NE, SUITE 900 ATLANTA, GA 30309 | X | | Chief Executive Officer | |

Signatures

/s/ Fredrick J.
Rowan II

05/01/2007

**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) This transaction was effected through multiple trade executions, with a weighted average price of \$26.8748.
- (2) These options became 100% exercisable upon the date of Mr. Rowan's Restated Stock Option Agreement on August 15, 2001.

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- (3) These options are performance options that vest upon the achievement of defined performance criteria.
- (4) These options are all exercisable.

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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