

Moses Robert G
 Form 4
 December 23, 2008

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 *
RGM Capital, LLC

(Last) (First) (Middle)

6621 WILLOW PARK DRIVE, SUITE ONE

(Street)

NAPLES, FL 34109

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
DIXIE GROUP INC [DXYN]

3. Date of Earliest Transaction (Month/Day/Year)
12/22/2008

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

6. Individual or Joint/Group Filing(Check Applicable Line)
 ___ Form filed by One Reporting Person
 ___X___ 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 stock, \$3.00 par value per share	12/22/2008		S		250,700	D	\$ 1.7
					1,127,693	I	

By private limited partnerships and a separately managed account. ⁽¹⁾

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

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number.

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)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned (Instr. 5)
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
RGM Capital, LLC 6621 WILLOW PARK DRIVE SUITE ONE NAPLES, FL 34109		X		
Moses Robert G RGM CAPITAL, LLC 6621 WILLOW PARK DRIVE SUITE ONE NAPLES, FL 34109		X		

Signatures

By Robert G. Moses 12/23/2008
 **Signature of Reporting Person Date

By Robert G. Moses on behalf of RGM Capital, LLC 12/23/2008
 **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 Form 4 is filed jointly by Robert G. Moses and RGM Capital, LLC ("RGM"). Robert G. Moses and RGM are deemed to be 10% beneficial owners of the Issuer. The securities reported on this Form 4 are either held in the name of private investment limited partnerships, of which RGM is the general partner, or in the name of a separately managed account for which RGM is investment manager. By virtue of his position as the managing member of RGM, Mr. Moses may be deemed to beneficially own the securities reported in this Form 4. Mr. Moses and RGM each disclaim beneficial ownership of the reported securities except to the extent of his or

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its pecuniary interest therein, and this report shall not be deemed an admission that Mr. Moses or RGM is the beneficial owner of the securities for purposes of Section 16 of the Securities Exchange Act of 1934, as amended, or for any other purpose.

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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