

OAKLEY WALTER FLAKE IV
 Form 4
 December 30, 2004

FORM 4

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

OMB APPROVAL

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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 *
OAKLEY WALTER FLAKE IV

2. Issuer Name and Ticker or Trading Symbol
COLONIAL BANGROUP INC [CNB]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
509 COUNTY DOWNS ROAD
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
12/28/2004

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
President

MONTGOMERY, AL 36109

(City) (State) (Zip)

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

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 Ownership (Instr. 4) | | | |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|--------|---|----------|
| | | | Code | V | Amount | (A) or (D) | Price | | | |
| Common Stock | 12/28/2004 | | J ⁽¹⁾ | V | 91 | A | 18.5 <u>(2)</u> | 77,810 | D | |
| Common Stock | 12/28/2004 | | J ⁽³⁾ | V | 31 | A | 22.1 <u>(4)</u> | 4,740 | I | By Sons |
| Common Stock | | | | | | | | 2,000 | I | By Trust |

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

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SEC 1474 (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) | Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|
| | | | | Code V | (A) (D) | Date Exercisable Expiration Date | Title | |
| Stock Option (right to buy) | \$ 21.45 | 12/28/2004 | | A | 10,000 (5) | 12/28/2005(6) 12/28/2014 | Common Stock | 10,000 |
| Incentive Stock Option (right to buy) | \$ 9.97 | | | | | 12/19/1997(7) 12/19/2006 | Common Stock | 10,000 |
| Incentive Stock Option (right to buy) | \$ 11.5313 | | | | | 12/30/1999(7) 12/30/2008 | Common Stock | 40,000 |
| Incentive Stock Option (right to buy) | \$ 10.5 | | | | | 12/30/2000(8) 12/30/2009 | Common Stock | 30,000 |
| Incentive Stock Option (right to buy) | \$ 12.54 | | | | | 06/18/2001 06/18/2011 | Common Stock | 20,000 |
| Incentive Stock Option (right to buy) | \$ 14.81 | | | | | 12/28/2002(9) 12/28/2011 | Common Stock | 10,000 |
| Incentive Stock Option (right to buy) | \$ 17.28 | | | | | 12/23/2004(10) 12/23/2013 | Common Stock | 8,400 |

Stock
Option
(right to
buy)

Stock

Non
Qualified
Stock \$ 17.28
Option
(right to
buy)

12/23/2004

12/23/2013

Common
Stock

1,5

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|-----------|-------|
| | Director | 10% Owner | Officer | Other |
| OAKLEY WALTER FLAKE IV 509 COUNTY DOWNS ROAD MONTGOMERY, AL 36109 | | | President | |

Signatures

Walter Flake
Oakley, IV 12/30/2004

 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) Shares issued through the Colonial BancGroup, Inc. 401K Retirement Plan.
- (2) Average purchase price of 401K shares issued throughout the reporting period.
- (3) Shares acquired through the Colonial BancGroup, Inc. Dividend Reinvestment Plan.
- (4) Average purchase price of DRIP shares issued throughout the reporting period.
- (5) 9,296 options will be classified as incentive stock options. The remaining 704 options will be classified as Non-Qualified stock options. This grant will be split up on subsequent forms to show this.
- (6) Options vest in 5 equal installments, 20% annually beginning one year from the date of grant. (0% vested)
- (7) Options vest in 5 equal installments, 20% annually beginning one year from the date of grant. (100% vested)
- (8) Options vest in 5 equal installments, 20% annually beginning one year from the date of grant. (80% vested)
- (9) Options vest in 5 equal installments, 20% annually beginning one year from the date of grant. (60% vested)
- (10) 407 options vest one year from the grant date. The remaining 8,000 options vest in four equal installments beginning two years from the date of grant.

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.