

WILLETTS FREDERICK III

Form 4

May 03, 2005

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 *
WILLETTS FREDERICK III

2. Issuer Name and Ticker or Trading Symbol
COOPERATIVE BANKSHARES INC [COOP]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
201 MARKET STREET
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
04/29/2005

Director 10% Owner
 Officer (give title below) Other (specify below)
Pres., CEO & Chairman of Board

WILMINGTON, NC 28401

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

(City) (State) (Zip)

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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| Common Stock | 04/29/2005 | | S | 624 D | \$ 18.5 31,453 ⁽¹⁾ | I | by Willetts Building Trust |
| Common Stock | | | | | 146,056 ⁽²⁾ | D | |
| Common Stock | | | | | 33,433 ⁽³⁾ | I | By 401(k) |
| Common Stock | | | | | 2,259 ⁽⁴⁾ | I | By Spouse |
| Common Stock | | | | | 105,465 ⁽⁵⁾ | I | By Trust (Father) |

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| | | | |
|--------------|-----------------------|---|----------------------------------|
| Common Stock | 28,050 ⁽⁶⁾ | I | By Trust (medical) |
| Common Stock | 1,986 ⁽⁷⁾ | I | by trust for 1st daughter |
| Common Stock | 1,986 ⁽⁷⁾ | I | By trust for 2nd daughter |
| Common Stock | 1,986 ⁽⁷⁾ | I | By Trust for 3rd daughter |
| Common Stock | 666 ⁽⁸⁾ | I | by wife in trust for 3 daughters |

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

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

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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 Securities (Instr. 3 and 4) | 8. Price or Value of Underlying Securities (Instr. 3 and 4) | |
|---|--|--------------------------------------|--|--------------------------------|---|--|---|---|----------------------------|
| | | | | | | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| | | | | | | Code | V | (A) | (D) |
| Stock Option (Right to Buy) ⁽⁹⁾ | \$ 7.29 | | | | | 08/28/1999 | 08/28/2009 | Common Stock | 13,500 |
| Stock Option (Right to Buy) ⁽¹⁰⁾ | \$ 7.67 | | | | | 12/21/2001 | 12/21/2011 | Common Stock | 12,000 |
| Stock Option | \$ 18 | | | | | 12/29/2004 | 12/29/2014 | Common Stock | 10,500 |

(Right to Buy) ⁽¹¹⁾

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|--------------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| WILLETTS FREDERICK III 201 MARKET STREET WILMINGTON, NC 28401 | X | | Pres., CEO & Chairman of Board | |

Signatures

/s/ Willetts, III,
Frederick

05/03/2005

**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) Includes an additional 10,672 shares acquired as a result of the 3-for-2 stock split on February 24, 2005.
- (2) Includes an additional 48,685 shares resulting from the 3-for-2 stock split on February 24, 2005.
- (3) Includes the acquisition of 11,332 additional shares as a result of the 3-for-2 stock split on February 24, 2005.
- (4) Includes additional 18 shares acquired under the issuer's Dividend Reinvestment Plan (DRIP) and an additional 753 shares resulting from the 3-for-2 stock split on February 24, 2005.
- (5) Includes an additional 35,155 shares resulting from the 3-for-2 stock split on February 24, 2005.
- (6) Includes an additional 9,350 shares acquired as a result of the 3-for-2 stock split on February 24, 2005.
- (7) Includes 16 shares acquired under the DRIP and 662 additional shares acquired as a result of the 3-for-2 stock split on February 24, 2005.
- (8) Includes 6 shares acquired under the DRIP and 222 additional shares acquired as a result of the 3-for-2 stock split on February 24, 2005.
- (9) This option was previously reported as covering 9,000 shares at an exercise price of \$10.94 per share, but was adjusted to reflect the 3-for-2 stock split on February 24, 2005.
- (10) This option was previously reported as covering 8,000 shares at an exercise price of \$11.50 per share, but was adjusted to reflect the 3-for-2 stock split on February 24, 2004.
- (11) This option was previously reported as covering 7,000 shares with an exercise price of \$27.00 per share, but was adjusted to reflect the 3-for-2 stock split on February 24, 2005.

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.