

COOPERATIVE BANKSHARES INC
 Form 4
 October 22, 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 *
 BURTON PAUL G

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)

3. Date of Earliest Transaction (Month/Day/Year)
 10/22/2007

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

201 MARKET STREET

(Street)

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

WILMINGTON, NC 28401

(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)
				Code V Amount (A) or (D) Price			
Common Stock	10/22/2007		M	V 1,000 A \$ 4.916	31,180 (1) (2)	D	
Common Stock	10/22/2007		G	V 1,000 D \$ 0	30,180 (1) (2)	D	
Common Stock	10/22/2007		G	V 1,000 A \$ 0	1,000	I	By Spouse

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 (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)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock Option (Right to Buy)	\$ 4.916 ⁽³⁾	10/22/2007		M	1,000 ⁽³⁾	07/15/1999 ⁽⁴⁾	07/15/2009	Common Stock	1,000 ⁽³⁾
Stock Option (Right to Buy)	\$ 12 ⁽⁵⁾					12/29/2004 ⁽⁴⁾	12/29/2014	Common Stock	4,500 ⁽⁵⁾
Stock Option (Right to Buy)	\$ 13.773 ⁽⁶⁾					12/14/2005 ⁽⁴⁾	12/14/2015	Common Stock	3,000 ⁽⁶⁾

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
BURTON PAUL G 201 MARKET STREET WILMINGTON, NC 28401	X			

Signatures

/s/ Burton, Paul
G. 10/22/2007

**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).

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- (1) On June 30, 2006, the common stock of Cooperative Bankshares, Inc. split 3-for-2, resulting in the reporting person's acquisition of 9,948 additional shares of common stock.
- (2) This form reflects increases in beneficial ownership resulting from exempt acquisitions pursuant to Rule 16a-11.
- (3) This option was previously reported as covering 15,000 shares at an exercise price of \$7.373 per share, but was adjusted to reflect the 3-for-2 stock split on June 30, 2006.
- (4) Stock Options fully vested on date of grant.
- (5) This option was previously reported as covering 3,000 shares at an exercise price of \$18.00 per share, but was adjusted to reflect the 3-for-2 stock split on June 30, 2007.
- (6) This option was previously reported as covering 2,000 shares at an exercise price of \$20.66 per share, but was adjusted to reflect the 3-for-2 stock split on June 30, 2007.

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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