

WILLETTS FREDERICK III

Form 4

December 11, 2007

FORM 4**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

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

OMB APPROVAL

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(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)

WILMINGTON, NC 28401

(City) (State) (Zip)

3. Date of Earliest Transaction
(Month/Day/Year)
12/07/2007

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

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

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 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	12/07/2007		P	1,000 A	\$ 13.12	256,771	D
Common Stock					56,906	I	By 401(k)
Common Stock					61,021 ⁽¹⁾ ⁽²⁾	I	By Mother
Common Stock					45,099 ⁽¹⁾	I	By Mother's IRA
Common Stock					3,490	I	By Spouse

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Common Stock	158,197	I	By Trust (Father)
Common Stock	35,825	I	By Trust (medical)
Common Stock	3,068	I	by trust for 1st daughter
Common Stock	3,068	I	By trust for 2nd daughter
Common Stock	3,068	I	By Trust for 3rd daughter
Common Stock	1,029	I	by wife in trust for 3 daughters
Common Stock	1,615	I	by Willetts Building Trust

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

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(9-02)

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. Amount or Number of Shares
Stock Option (Right to Buy)	\$ 12			Code V (A) (D)		Date Exercisable 12/29/2004 ⁽³⁾ Expiration Date 12/29/2014	Common Stock	15,750

Stock					
Option					
(Right to	\$ 13.7733	12/14/2005 ⁽³⁾	12/14/2015	Common	10,500
Buy)				Stock	

Reporting Owners

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

Signatures

/s/ Willetts, III,
Frederick

12/11/2007

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).

Reporting person may be deemed the beneficial owner of shares beneficially owned by his mother due to dispositive authority granted to

(1) him under a general Power of Attorney on behalf of and for the benefit of his mother. Reporting person disclaims having a beneficial ownership interest in such shares for purposes of Section 16 under the Securities and Exchange Act of 1934.

(2) Includes 174 shares previously owned indirectly through Mother's IRA.

(3) Stock Options fully vested on 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.

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