

WILEY J THOMAS JR
Form 4/A
August 22, 2006

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 *
WILEY J THOMAS JR

(Last) (First) (Middle)
3475 PIEDMONT ROAD, N.E.,
SUITE 550

(Street)

ATLANTA, GA 30305

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
FLAG FINANCIAL CORP [FLAG]

3. Date of Earliest Transaction
(Month/Day/Year)
08/22/2006

4. If Amendment, Date Original Filed(Month/Day/Year)
11/14/2005

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)
Chief Banking Officer / Vice Chairman

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 Indirect Beneficial Ownership (Instr. 4)
			Code	V Amount (A) or (D) Price			
Common Stock	11/14/2005		M	150,000 A \$ 6.51	310,855	D	
Common Stock					600	I	Custodian
Common Stock					1,225	I	Retirement Account

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 Security (Instr. 3 and 4)
						Date Exercisable	Expiration Date	
Common Stock Warrants (Right to buy)	\$ 9.1	11/14/2005		D ⁽¹⁾	150,000	11/14/2005	11/14/2005	Common Stock
Common Stock Warrants (Right to buy)	\$ 6.51	11/14/2005		A ⁽¹⁾	150,000	11/14/2005	11/14/2005	Common Stock
Common Stock Warrants (Right to buy)	\$ 6.51	11/14/2005		M	150,000	11/15/2005	11/15/2005	Common Stock

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
WILEY J THOMAS JR 3475 PIEDMONT ROAD, N.E., SUITE 550 ATLANTA, GA 30305			Chief Banking Officer	Vice Chairman

Signatures

/s/ J. Thomas
Wiley Jr. 08/22/2006

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) Amendments of the outstanding warrants with respect to the price reduction and term forfeiture result in the deemed cancellation of the warrants and regrant of amended warrants pursuant to SEC Rule 16b-3. The warrants were originally acquired by the reporting person in

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a series of private placement transactions in 2002 at a cost of \$1.00 per warrant

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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