

COOPERATIVE BANKSHARES INC

Form 4

June 11, 2008

**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 \*  
KING H THOMPSON 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)

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

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

201 MARKET STREET

06/09/2008

(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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
|                                 |                                      |  | Code                           | V Amount (A) or (D) Price   |   |  |                                   |
| Common Stock                    | 04/09/2008                           |  | G                              | V 150 D \$ 0  | 38,345  | D  |                                   |
| Common Stock                    | 04/09/2008                           |  | G                              | V 150 D \$ 0  | 38,195  | D  |                                   |
| Common Stock                    | 04/09/2008                           |  | G                              | V 150 D \$ 0  | 38,045  | D  |                                   |
| Common Stock                    | 04/09/2008                           |  | G                              | V 150 D \$ 0  | 37,895  | D  |                                   |
| Common Stock                    | 04/09/2008                           |  | G                              | V 400 D \$ 0  | 37,495  | D  |                                   |

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|              |            |  |                        |   |       |   |           |                  |   |                             |
|--------------|------------|--|------------------------|---|-------|---|-----------|------------------|---|-----------------------------|
| Common Stock | 04/09/2008 |  | G                      | V | 400   | A | \$ 0      | 400              | I | By BNB                      |
| Common Stock | 04/09/2008 |  | G                      | V | 150   | A | \$ 0      | 1,017            | I | By Custodian for BCK        |
| Common Stock | 04/09/2008 |  | G                      | V | 150   | A | \$ 0      | 555              | I | By Custodian for DGS        |
| Common Stock | 04/09/2008 |  | G                      | V | 150   | A | \$ 0      | 555              | I | By Custodian for EBS        |
| Common Stock | 04/09/2008 |  | G                      | V | 150   | A | \$ 0      | 555              | I | By Custodian for RK         |
| Common Stock | 06/09/2008 |  | <u>A<sup>(1)</sup></u> |   | 1,282 | A | \$ 8.02   | 1,282 <u>(1)</u> | I | By Director Retirement Plan |
| Common Stock | 06/09/2008 |  | <u>A<sup>(1)</sup></u> |   | 4,674 | A | \$ 8.2989 | 5,956 <u>(1)</u> | I | By Director Retirement Plan |
| Common Stock |            |  |                        |   |       |   |           | 5,580            | I | By IRA                      |
| Common Stock |            |  |                        |   |       |   |           | 1,890            | I | By Spouse's IRA             |

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

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SEC 1474  
(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. De |                  |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------|------------------|
|  |  |                                      |  | Code                           | V (A) (D)   | Date Exercisable   | Expiration Date   | Title | Amount or Number |

|                                      |          |                           |            |                 | of<br>Shares |
|--------------------------------------|----------|---------------------------|------------|-----------------|--------------|
| Stock<br>Option<br>(Right to<br>Buy) | \$ 4.92  | 07/15/1999 <sup>(2)</sup> | 07/15/2009 | Common<br>Stock | 4,269        |
| Stock<br>Option<br>(Right to<br>Buy) | \$ 12    | 12/29/2004 <sup>(2)</sup> | 12/29/2014 | Common<br>Stock | 4,500        |
| Stock<br>Option<br>(Right to<br>Buy) | \$ 13.77 | 12/14/2005 <sup>(2)</sup> | 12/14/2015 | Common<br>Stock | 3,000        |

## Reporting Owners

| Reporting Owner Name / Address                                   | Relationships |           |         |       |
|--|---------------|-----------|---------|-------|
|  | Director      | 10% Owner | Officer | Other |
| KING H THOMPSON III<br>201 MARKET STREET<br>WILMINGTON, NC 28401 | X             |           |         |       |

## Signatures

/s/ King, III, H.  
Thompson

06/11/2008

        \*\*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) Represents an open market purchase of shares of Cooperative Bankshares, Inc. common stock by the trustee of the trust of the Cooperative Bankshares, Inc. Stock-Based Retirement Plan for Directors on behalf of the Reporting Person who is a participant in the plan. Shares credited to the account of a director under the Cooperative Bankshares, Inc. Stock-Based Retirement Plan for Directors may not be sold, assigned, transferred, disposed of, pledged, hypothecated or otherwise encumbered. Distributions from a director's account shall commence only upon (i) the director's separation from service from the Company for any reason (including resignation or death), or (ii) a specified number of years between one year and five years after the director's separation from service from the Company.

(2) 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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