

WILLETTS FREDERICK III
 Form 4
 May 03, 2007

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
 Expires: January 31, 2005
 Estimated average burden hours per response... 0.5

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)
05/02/2007

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)
				(A) or (D) Code V Amount Price			
Common Stock	05/02/2007		S	2,000 D \$ 16.55	63,327	I	By Mother
Common Stock	05/02/2007		S	2,000 D \$ 16.5	61,327 ⁽¹⁾ ⁽²⁾	I	By Mother
Common Stock					257,771	D	
Common Stock					54,458 ⁽³⁾	I	By 401(k)
Common Stock					47,793 ⁽²⁾	I	By Mother's IRA

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Common Stock	3,459 ⁽⁴⁾	I	By Spouse
Common Stock	158,197	I	By Trust (Father)
Common Stock	37,325	I	By Trust (medical)
Common Stock	3,040 ⁽⁴⁾	I	by trust for 1st daughter
Common Stock	3,040 ⁽⁴⁾	I	By trust for 2nd daughter
Common Stock	3,040 ⁽⁴⁾	I	By Trust for 3rd daughter
Common Stock	1,020 ⁽⁴⁾	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.

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.

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. Amount or Number of Shares
Stock Option	\$ 12			Code V (A) (D)		Date Exercisable: 12/29/2004 ⁽⁵⁾ Expiration Date: 12/29/2014	Common Stock	15,750

(Right to Buy)

Stock

Option (Right to Buy) \$ 13.77

12/14/2005⁽⁵⁾ 12/14/2015

Common Stock 10,500

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 05/03/2007

 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).
- (1) Includes 1,665 shares previously owned indirectly through Mother's IRA.
Reporting person may be deemed the beneficial owner of shares beneficially owned by his mother due to dispositive authority granted to
- (2) 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.
- (3) Reflects stock acquired through Cooperative Bankshares 401(k) plan exempt from reporting under Rule 16b-3(c).
- (4) Reflects stock acquired through Cooperative Bankshares Dividend Reinvestment Plan exempt from reporting under Rule 16a-11.
- (5) 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. 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.