

PEOPLES BANCORP OF NORTH CAROLINA INC  
 Form 4  
 June 19, 2006

**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 \*  
**ABERNETHY JAMES S**

2. Issuer Name and Ticker or Trading Symbol  
**PEOPLES BANCORP OF NORTH CAROLINA INC [PEBK]**

5. Relationship of Reporting Person(s) to Issuer  
 (Check all applicable)

(Last) (First) (Middle)  
 518 WEST C STREET  
 (Street)  
 NEWTON, NC 28658  
 (City) (State) (Zip)

3. Date of Earliest Transaction (Month/Day/Year)  
 06/16/2006  
 4. If Amendment, Date Original Filed(Month/Day/Year)

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
 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 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	06/16/2006		J <sup>(1)</sup>	3,102 A \$ 0 <sup>(2)</sup>	34,129	D	
Common Stock	06/16/2006		J <sup>(1)</sup>	1,476 A \$ 0 <sup>(2)</sup>	16,243 <sup>(3)</sup>	D	
Common Stock	06/16/2006		J <sup>(1)</sup>	822 A \$ 0 <sup>(2)</sup>	9,056	I	Daughter, Elizabeth
Common Stock	06/16/2006		J <sup>(1)</sup>	712 A \$ 0 <sup>(2)</sup>	7,846	I	Daughter, Ashton
Common Stock	06/16/2006		J <sup>(1)</sup>	822 A \$ 0 <sup>(2)</sup>	9,056	I	Custodian of Son



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(3) Shares held in street name

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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