

WILLETTS FREDERICK III

Form 4

December 13, 2005

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)
12/09/2005

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	12/09/2005		S	V Amount (A) or (D) Price 1,000 D \$ 21.25	143,631	D	
Common Stock					34,769 ⁽¹⁾	I	By 401(k)
Common Stock					47,185	I	By Mother
Common Stock					34,565 ⁽²⁾	I	By Mother's IRA
Common Stock					2,277 ⁽¹⁾	I	By Spouse

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Common Stock	105,465	I	By Trust (Father)
Common Stock	25,550	I	By Trust (medical)
Common Stock	2,002 ⁽¹⁾	I	by trust for 1st daughter
Common Stock	2,002 ⁽¹⁾	I	By trust for 2nd daughter
Common Stock	2,002 ⁽¹⁾	I	By Trust for 3rd daughter
Common Stock	671 ⁽¹⁾	I	by wife in trust for 3 daughters
Common Stock	31,077	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)	\$ 7.29			Code V (A) (D)		Date Exercisable 08/28/1999 ⁽³⁾ Expiration Date 08/28/2009	Common Stock	13,500

Stock Option (Right to Buy)	\$ 7.67	12/21/2001 ⁽³⁾	12/21/2011	Common Stock	12,000
Stock Option (Right to Buy)	\$ 18	12/29/2004 ⁽³⁾	12/29/2014	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

12/13/2005

__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) Reflects stock acquired through Cooperative Bankshares Dividend Reinvestment Plan exempt from reporting under Rule 16a-11.

Reporting person may be deemed the beneficial owner of shares owned by his mother due to the exercise of, solely on his mother's behalf
(2) and for her benefit, dispositive authority granted to him under a general Power of Attorney. 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) 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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