

Waggett John Davie
Form 4
August 03, 2007

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 *
Waggett John Davie

2. Issuer Name and Ticker or Trading Symbol
Cape Fear Bank CORP [CAPE]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
1117 MILITARY CUTOFF ROAD
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
06/29/2007

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

WILMINGTON, NC 28405

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 Ownership (Instr. 4)
Common Stock				(A) or (D)	205 ⁽¹⁾	D	
Common Stock				(A) or (D)	2,685 ⁽¹⁾	D ⁽²⁾	
Common Stock				(A) or (D)	2,893 ⁽¹⁾	I	By Trust for Charlene F. Waggett

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

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SEC 1474 (9-02)

displays a currently valid OMB control 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 Securities (Instr. 3 and 4)	8. Pr Deri Secur (Inst	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Common Stock	\$ 9.76 ⁽¹⁾					01/22/2006	07/22/2015	Common Stock	6,890

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

Waggett John Davie
1117 MILITARY CUTOFF ROAD X
WILMINGTON, NC 28405

Signatures

John Davie Waggett, By: William R. Lathan, Jr.,
Attorney-in-Fact

07/31/2007

__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) As adjusted to reflect the effect of two 5% stock dividends which became effective June 30, 2006, and June 29, 2007. As a result of the stock dividends, the reporting person received an aggregate of 790 and 793 additional shares which are included in the common stock shares reported as held directly and indirectly, respectively. At the same time, and in accordance with antidilution provisions of the Issuer's stock option plans, the reporting person's stock options became exercisable for 640 additional shares, and the exercise price was similarly adjusted.

(2) Shares are held in the Irrevocable Trust for John Davie Waggett.

Remarks:

This report is being furnished solely to show the effect of the stock dividends and does not represent a transaction by the reporting

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The Issuer is the successor issuer under Rule 12g-3(a) to Cape Fear Bank pursuant to a statutory share exchange in which the I

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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