

COLONIAL BANGROUP INC
Form 4
April 20, 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 *
Byrne David B Jr

2. Issuer Name and Ticker or Trading Symbol
COLONIAL BANGROUP INC [CNB]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
9213 BRISTOL WAY
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
04/18/2006

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
Chief Legal Officer

MONTGOMERY, AL 36117

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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | Code | V | Amount | (D) | Price |
| Common Stock | 04/18/2006 | | A ⁽¹⁾ | | 2,625 | A | \$ 25.4 |
| Common Stock | 04/18/2006 | | A ⁽²⁾ | | 2,625 | A | \$ 25.4 |
| Common Stock | 04/18/2006 | | J ⁽³⁾ | V | 15 | A | \$ 24.33 |
| | | | | | | | ⁽⁴⁾ |

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

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 Underlying Security (Instr. 3 and 4) | | | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|------------------|-----------------|--------------|
| | | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title |
| Incentive Stock Option (right to buy) | \$ 23.89 | | | | | 01/18/2007 | 01/18/2016 | | | Common Stock |
| Incentive Stock Option (right to buy) | \$ 25.4 | 04/18/2006 | | A | 870 | 04/18/2007 ⁽⁵⁾ | 04/18/2016 | | | Common Stock |
| Non-Qualified Stock Option (right to buy) | \$ 25.4 | 04/18/2006 | | A | 10,846 | 04/18/2007 ⁽⁶⁾ | 04/18/2016 | | | Common Stock |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Byrne David B Jr 9213 BRISTOL WAY MONTGOMERY, AL 36117 | | | Chief Legal Officer | |

Signatures

/s/ David B. Byrne, Jr. 04/20/2006

**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) Service Based Restricted Stock Award. These restricted shares will vest 100% on the fifth anniversary of the grant date.
 - (2) Performance Based Restricted Stock Award. The vesting of these restricted shares is based on BancGroup's EPS growth over the three year period ending December 31, 2008. The performance measure has been defined as the three-year compound annual growth rate (CAGR). At the end of the vesting period the employee will vest in 50%, 100% or 150% of the restricted shares awarded at the grant date

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depending on the actual growth in EPS.

- (3) Shares acquired through the Colonial BancGroup, Inc. Dividend Reinvestment Plan.
- (4) Average purchase price of DRIP shares issued throughout the year.
- (5) Options vest in 5 equal installments, 20% annually beginning one year from the date of grant.
- (6) 2,170 options vest on the first anniversary of the grant date. The remaining 8,676 options will vest in four equal installments beginning two years from the 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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