

Waggett John Davie  
Form 4  
August 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 \*  
Waggett John Davie

(Last) (First) (Middle)

1117 MILITARY CUTOFF ROAD

(Street)

WILMINGTON, NC 28405

(City) (State) (Zip)

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

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

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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 Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
|                                 |                                      |  |                                | (A) or (D) Price  |   |  |                                   |
| Common Stock                    |                                      |  |                                |   | 205 <sup>(1)</sup>  | D  |                                   |
| Common Stock                    |                                      |  |                                |   | 2,685 <sup>(1)</sup>  | D <sup>(2)</sup>   |                                   |
| Common Stock                    |                                      |  |                                |   | 2,893 <sup>(1)</sup>  | 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 <sup>(1)</sup>                                 |                                      |  |                                |   | 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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