

Byrne David B Jr
Form 4
August 20, 2009

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 *
Byrne David B Jr

2. Issuer Name and Ticker or Trading Symbol
COLONIAL BANCGROUP 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)
08/18/2009

____ 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 (A) or (D) Price			
Common Stock	08/18/2009		D ⁽²⁾	7,676 D \$ 0	29,227	D	
Common Stock	08/18/2009		D ⁽²⁾	7,676 D \$ 0	21,551	D	
Common Stock	08/18/2009		D ⁽²⁾	2,590 D \$ 0	18,961	D	
Common Stock	08/18/2009		D ⁽²⁾	2,590 D \$ 0	16,371	D	
Common Stock	08/18/2009		D ⁽²⁾	2,625 D \$ 0	13,746	D	

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Common Stock 1,000 I by Spouse

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

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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)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Incentive Stock Option (right to buy)	\$ 23.89					01/18/2007 ⁽³⁾	01/18/2016	Common Stock	20,000
Incentive Stock Option (right to buy)	\$ 25.4					04/18/2007	04/18/2016	Common Stock	870
Non-Qualified Stock Option (right to buy)	\$ 25.4					04/18/2007 ⁽¹⁾	04/18/2016	Common Stock	10,800
Non-Qualified Stock Option (right to buy)	\$ 25.81					01/16/2008 ⁽³⁾	01/16/2017	Common Stock	12,100
Non-Qualified Stock Option (right to buy)	\$ 11.29					01/15/2009 ⁽³⁾	01/15/2018	Common Stock	38,600

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
			Chief Legal Officer	

Byrne David B Jr
9213 BRISTOL WAY
MONTGOMERY, AL 36117

Signatures

/s/ David B.
Byrne, Jr.

08/20/2009

**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) 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.

On August 14, 2009 the FDIC took Colonial Bank into receivership. The FDIC sold Colonial Bank and certain of its assets to BB&T. As a result, Mr. Byrne ceased being an employee of an affiliate of Colonial BancGroup at the close of business on August 14th and began employment with BB&T immediately thereafter. On August 18th, 2009, Mr. Byrne resigned from Colonial BancGroup, Inc. thereby causing the referenced restricted stock awards to cancel pursuant to the terms of the Colonial BancGroup, Inc. Stock Incentive Plan.
- (2) On August 14, 2009 the FDIC took Colonial Bank into receivership. The FDIC sold Colonial Bank and certain of its assets to BB&T. As a result, Mr. Byrne ceased being an employee of an affiliate of Colonial BancGroup at the close of business on August 14th and began employment with BB&T immediately thereafter. On August 18th, 2009, Mr. Byrne resigned from Colonial BancGroup, Inc. thereby causing the referenced restricted stock awards to cancel pursuant to the terms of the Colonial BancGroup, Inc. Stock Incentive Plan.
- (3) Options vest in 5 equal installments, 20% annually beginning one year 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. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.