

FLAG FINANCIAL CORP

Form 4

December 18, 2006

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 *
ANDERSON WILLIAM H II

(Last) (First) (Middle)

3475 PIEDMONT ROAD,
NE., SUITE 550

(Street)

ATLANTA, GA 30305

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol

FLAG FINANCIAL CORP [FLAG]

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

12/08/2006

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 Indirect Beneficial Ownership (Instr. 4)
				(A) or (D) Price			
Common Stock	12/08/2006		D	162,625	D 0	D	
Common Stock	12/08/2006		D	3,000	D 0	I	By Spouse
Common Stock	12/08/2006		D	308,000	D 0	I	By Southern Trust Insurance Company
Common Stock	12/08/2006		D	9,800	D 0	I	VHA Partners

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Disposed of pursuant to a merger agreement between issuer and RBC Centura Banks, Inc. in exchange for cash in the amount of \$25.50 per share.

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