

Byrne David B Jr
Form 5
January 28, 2009

FORM 5

**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).
Form 3 Holdings Reported Form 4 Transactions Reported

ANNUAL 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

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)

3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)
12/31/2008

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

9213 BRISTOL WAY

(Street)

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

6. Individual or Joint/Group Reporting

(check applicable line)

MONTGOMERY, AL 36117

(City) (State) (Zip)

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 at end of Issuer's Fiscal Year (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
Common Stock	12/31/2008	^	J ⁽⁴⁾	1 A	\$ 7.2407	37,528 D	^
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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SEC 2270 (9-02)

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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 Security (Instr. 3 and 4)
Incentive Stock Option (right to buy)	\$ 23.89	Â	Â	Â	Â	01/18/2007 ⁽³⁾ 01/18/2016	Common Stock
Incentive Stock Option (right to buy)	\$ 25.4	Â	Â	Â	Â	04/18/2007 ⁽¹⁾ 04/18/2016	Common Stock
Non-Qualified Stock Option (right to buy)	\$ 25.4	Â	Â	Â	Â	04/18/2007 ⁽²⁾ 04/18/2016	Common Stock
Non-Qualified Stock Option (right to buy)	\$ 25.81	Â	Â	Â	Â	01/16/2008 ⁽¹⁾ 01/16/2017	Common Stock
Non-Qualified Stock Option (right to buy)	\$ 11.29	Â	Â	Â	Â	01/15/2009 ⁽¹⁾ 01/15/2018	Common Stock

Reporting Owners

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

Signatures

/s/ David B. Byrne, Jr. 01/28/2009

**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) Options vest in 5 equal installments, 20% annually beginning one year from the date of grant.
- (2) 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.
- (3) Options vest in 5 equal installments, 20% annually beginning one year from the date of grant.
- (4) Shares acquired through the Colonial BancGroup, Inc. Dividend Reinvestment Plan.

Note: File three copies of this Form, one of which must be manually signed. If space provided 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.