

COOPERATIVE BANKSHARES INC  
 Form 4  
 June 15, 2005

**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 \*  
**WILLETTS FREDERICK III**

2. Issuer Name and Ticker or Trading Symbol  
**COOPERATIVE BANKSHARES INC [COOP]**

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
**201 MARKET STREET**  
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)  
**06/13/2005**

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
 Pres., CEO & Chairman of Board

**WILMINGTON, NC 28401**

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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
|                                 |                                      |  |                                | (A) or (D) Code V Amount (D) Price                                |   |  |                                   |
| Common Stock                    |                                      |  |                                |   | 25,550  | I  | By Trust (medical)                |
| Common Stock                    |                                      |  |                                |   | 1,986   | I  | by trust for 1st daughter         |
| Common Stock                    |                                      |  |                                |   | 1,986   | I  | By trust for 2nd daughter         |
| Common Stock                    |                                      |  |                                |   | 1,986   | I  | By Trust for 3rd daughter         |

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|              |            |  |   |     |   |         |         |                                  |
|--------------|------------|--|---|-----|---|---------|---------|----------------------------------|
| Common Stock |            |  |   |     |   | 666     | I       | by wife in trust for 3 daughters |
| Common Stock |            |  |   |     |   | 31,077  | I       | by Willetts Building Trust       |
| Common Stock | 06/13/2005 |  | S | 100 | D | \$ 18.5 | 145,631 | D                                |
| Common Stock |            |  |   |     |   | 33,705  | I       | By 401(k)                        |
| Common Stock |            |  |   |     |   | 2,259   | I       | By Spouse                        |
| Common Stock |            |  |   |     |   | 105,465 | I       | By Trust (Father)                |

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 displays a currently valid OMB control number.**

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(9-02)

**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. Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|
| Stock Option (Right to Buy)                | \$ 7.29  |                                      |  |                                |   | 08/28/1999 <sup>(1)</sup> 08/28/2009                     | Common Stock  | 13,500                        |
| Stock Option (Right to Buy)                | \$ 7.67  |                                      |  |                                |   | 12/21/2001 <sup>(1)</sup> 12/21/2011                     | Common Stock  | 12,000                        |
|  | \$ 18  |                                      |  |                                |   | 12/29/2004 <sup>(1)</sup> 12/29/2014                     |   | 10,500                        |

Stock  
Option  
(Right to  
Buy)

Common  
Stock

## Reporting Owners

| Reporting Owner Name / Address                                      | Relationships |           |                                |       |
|---|---------------|-----------|--------------------------------|-------|
|   | Director      | 10% Owner | Officer                        | Other |
| WILLETTS FREDERICK III<br>201 MARKET STREET<br>WILMINGTON, NC 28401 | X             | X         | Pres., CEO & Chairman of Board |       |

## Signatures

/s/ Willetts, III,  
Frederick

06/15/2005

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) Stock Options fully vested on 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.