

MATTHEWS GARY E  
Form 5  
February 08, 2010

**FORM 5**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

OMB APPROVAL

OMB Number: 3235-0362  
Expires: January 31, 2005  
Estimated average burden hours per response... 1.0

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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 \*  
MATTHEWS GARY E  
(Last) (First) (Middle)

2. Issuer Name and Ticker or Trading Symbol  
PEOPLES BANCORP OF NORTH CAROLINA INC [PEBK]

3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)  
12/31/2009

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 Reporting  
(check applicable line)

518 WEST C STREET  
(Street)  
NEWTON, X1 28658  
(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)	(A) or (D)	Price	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	05/07/2009	Â	L	356.939	A	\$ 6.5138	20,019.709	D	Â
Common Stock	06/11/2009	Â	L	294.9635	A	\$ 6.7734	20,314.6725	D	Â
Common Stock	07/29/2009	Â	L	117.746	A	\$ 6.1221	20,432.4185	D	Â
Common Stock	08/07/2009	Â	L	72.3444	A	\$ 6.2132	20,504.7629	D	Â
	08/10/2009	Â	L	35.9556	A		20,540.7185	D	Â

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Common Stock						\$				6.2232
Common Stock	08/28/2009	Â	L	33.528	A	\$ 6.542	20,574.2465	D		Â
Common Stock	09/04/2009	Â	L	115.824	A	\$ 6.5316	20,690.0705	D		Â
Common Stock	11/11/2009	Â	L	328.545	A	\$ 5.7183	21,018.6155	D		Â
Common Stock	12/03/2009	Â	L	229.635	A	\$ 4.1844	21,248.2505	D		Â

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

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SEC 2270 (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. Price of Derivative Security (Instr. 5)	9. of D Se O Er Is Fi (I
					(A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MATTHEWS GARY E 518 WEST C STREET NEWTON,Â X1Â 28658	Â X	Â	Â	Â

## Signatures

Gary E. Matthews 02/08/2010

\*\*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).

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