

Cape Fear Bank CORP
 Form 4
 June 07, 2007

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 *
 Sellers Jerry D

(Last) (First) (Middle)
 1117 MILITARY CUTOFF ROAD
 (Street)

WILMINGTON, NC 28405

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
 Cape Fear Bank CORP [CAPE]

3. Date of Earliest Transaction
 (Month/Day/Year)
 06/05/2007

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 Ownership (Instr. 4)
Common Stock	06/05/2007		P	V Amount (A) or (D) Price 453 A \$ 10.45	4,160 ⁽¹⁾	D	

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)

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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 or Value of Underlying Securities (Instr. 3 and 4)
Director Stock Option Grant (Right to Buy)	\$ 10.24					01/22/2006 07/22/2015	Common Stock	6,562

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Sellers Jerry D 1117 MILITARY CUTOFF ROAD WILMINGTON, NC 28405	X			

Signatures

Jerry D. Sellers, By: William R. Lathan, Jr., Attorney-in-Fact 06/07/2007

**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) As adjusted to reflect the effect of a 5% stock dividend which became effective June 30, 2006. As a result of the stock dividend, the reporting person received an aggregate of 176 additional shares which are included in the common stock shares reported as held directly. At the same time, and in accordance with antidilution provisions of the Issuer's Director Stock Option Plan, the reporting person's stock options became exercisable for 312 additional shares, and the exercise price was similarly adjusted.

Remarks:

The Issuer is the successor issuer under Rule 12g-3(a) to Cape Fear Bank pursuant to a statutory share exchange in which the I

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.