

WILLETTS FREDERICK III  
 Form 4  
 May 12, 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)  
 05/10/2005

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 Indirect Beneficial Ownership (Instr. 4)
			Code	V Amount (A) or (D) Price			
Common Stock	05/10/2005		S	700 D \$ 18.75	27,050	I	By Trust (medical)
Common Stock	05/10/2005		S	162 D \$ 18.75	31,191	I	by Willetts Building Trust
Common Stock	05/11/2005		S	114 D \$ 18.75	31,077	I	by Willetts Building Trust
Common Stock					146,056	D	
					33,705 <sup>(1)</sup>	I	By 401(k)

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Common Stock						
Common Stock		2,259	I			By Spouse
Common Stock		105,465	I			By Trust (Father)
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
Common Stock		666	I			by wife in trust for 3 daughters

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)

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)	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock Option (Right to Buy) <sup>(2)</sup>	\$ 7.29					08/28/1999	08/28/2009	Common Stock	13,500
	\$ 7.67					12/21/2001	12/21/2011		12,000

Stock Option (Right to Buy) <u>(2)</u>					Common Stock	
Stock Option (Right to Buy) <u>(2)</u>	\$ 18	12/29/2004	12/29/2014		Common Stock	10,500

## Reporting Owners

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

## Signatures

/s/ Willetts, III,  
Frederick

05/11/2005

    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) Reflects stock acquired through Cooperative Bankshares 401(k) plan exempt from reporting under Rule 16b-3(c).
- (2) 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.