

DOUGHTY STEPHEN W
Form 4
November 14, 2005

FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

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 *
DOUGHTY STEPHEN W

2. Issuer Name and Ticker or Trading Symbol
FLAG FINANCIAL CORP [FLAG]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
C/O FLAG FINANCIAL CORPORATION, 3475 PIEDMONT ROAD, NE, SUITE 550

3. Date of Earliest Transaction (Month/Day/Year)
11/14/2005

Director 10% Owner
 Officer (give title below) Other (specify below)
Vice Chairman / Chief Risk Management

(Street)
ATLANTA, GA 30305

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

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 Ownership (Instr. 4) | | | |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|--|---------|---|---------------------|
| | | | | (A) or (D) | Price | | | | | |
| Common Stock | 11/14/2005 | | M | V | 150,000 | A | \$ 6.51 | 306,250 | D | |
| Common Stock | | | | | | | | 1,450 | I | joint with spouse |
| Common Stock | | | | | | | | 8,964 | I | Retirement Accounts |

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

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SEC 1474 (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 Underlying Security (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|-----------------|---|
| | | | | | | Date Exercisable | Expiration Date | |
| Common Stock Warrants (right to buy) | \$ 9.1 | 11/14/2005 | | D ⁽¹⁾ | 150,000 | 11/14/2005 | 11/14/2005 | Common Stock |
| Common Stock Warrants (right to buy) | \$ 6.51 | 11/14/2005 | | A ⁽¹⁾ | 150,000 | 11/14/2005 | 11/14/2005 | Common Stock |
| Common Stock Warrants (right to buy) | \$ 6.51 | 11/14/2005 | | M | 150,000 | 11/14/2005 | 11/14/2005 | Common Stock |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------------|-----------------------|
| | Director | 10% Owner | Officer | Other |
| DOUGHTY STEPHEN W C/O FLAG FINANCIAL CORPORATION 3475 PIEDMONT ROAD, NE, SUITE 550 ATLANTA, GA 30305 | X | | Vice Chairman | Chief Risk Management |

Signatures

/s/ Stephen W. Doughty
11/14/2005

**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).

Amendments of the outstanding warrants with respect to the price reduction and term foreclosure result in the deemed cancellation of the
(1) warrants and regrant of amended warrants pursuant to SEC Rule 16b-3. The warrants were originally acquired by the reporting person in a series of private placement transactions in 2002 at a cost of \$1.00 per warrant.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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