

WILLETTS FREDERICK III
 Form 4
 May 31, 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)
05/27/2005

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)
			Code	V	Amount or Price (A) or (D)		
Common Stock	05/27/2005		S		\$ 18.6	I	By Trust (medical)
Common Stock					146,056	D	
Common Stock					33,705	I	By 401(k)
Common Stock					2,259	I	By Spouse
Common Stock					105,465	I	By Trust (Father)

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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
Common Stock	31,077	I	by Willetts Building Trust

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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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 Security (Instr. 3 and 4)	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock Option (Right to Buy) ⁽¹⁾	\$ 7.29					08/28/1999	08/28/2009	Common Stock	13,500
Stock Option (Right to Buy) ⁽¹⁾	\$ 7.67					12/21/2001	12/21/2011	Common Stock	12,000
	\$ 18					12/29/2004	12/29/2014		10,500

Stock
Option
(Right to
Buy) (1)

Common
Stock

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

05/31/2005

 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.
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