

EVANS JOSEPH W  
Form 4  
December 15, 2006

**FORM 4**

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

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

## OMB APPROVAL

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

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
EVANS JOSEPH W

(Last) (First) (Middle)

3475 PIEDMONT ROAD, N.E.,  
SUITE 550

(Street)

ATLANTA, GA 30305

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading  
Symbol

FLAG FINANCIAL CORP [FLAG]

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

12/08/2006

4. If Amendment, Date Original  
Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to  
Issuer

(Check all applicable)

\_\_\_\_ Director \_\_\_\_ 10% Owner  
\_X\_ Officer (give title \_\_\_\_ Other (specify  
below) below)

President/ CEO

6. Individual or Joint/Group Filing(Check  
Applicable Line)  
\_X\_ 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	12/08/2006		D	349,480	D 1 0	D	

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.**

SEC 1474  
(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

## Edgar Filing: EVANS JOSEPH W - Form 4

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. D S (I
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Stock Option (right to buy)	\$ 12.9	12/08/2006		D	5,000	<u>(2)</u>	02/14/2014	Common Stock	5,000	
Stock Option (right to buy)	\$ 14.93	12/08/2006		D	6,000	<u>(3)</u>	01/12/2015	Common Stock	6,000	
Stock Option (right to buy)	\$ 16.36	12/08/2006		D	14,393	<u>(4)</u>	12/28/2015	Common Stock	14,393	
Stock Option (right to buy)	\$ 16.36	12/08/2006		D	25,607	<u>(5)</u>	12/28/2015	Common Stock	25,607	

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
EVANS JOSEPH W 3475 PIEDMONT ROAD, N.E., SUITE 550 ATLANTA, GA 30305			President/ CEO	

## Signatures

/s/ Joseph W.  
Evans

12/15/2006

\_\_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) Disposed of pursuant to a merger agreement between issuer and RBC Centura Banks, Inc. in exchange for cash in the amount of \$25.50 per share.

## Edgar Filing: EVANS JOSEPH W - Form 4

- (2) This option, which provides for vesting in three years from the grant date, was canceled in the merger in exchange for a cash payment of \$63,000, representing the difference between the exercise price of the option and \$25.50.
- (3) This option, which provides for vesting in three years from the grant date, was canceled in the merger in exchange for a cash payment of \$63,420, representing the difference between the exercise price of the option and \$25.50.
- (4) This option, which provides for vesting in three equal annual increments beginning December 28, 2005 , was canceled in the merger in exchange for a cash payment of \$131,552, representing the difference between the exercise price of the option and \$25.50.
- (5) This option, which was fully vested on the grant date , was canceled in the merger in exchange for a cash payment of \$234,047, representing the difference between the exercise price of the option and \$25.50.

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.