

Cape Fear Bank CORP  
 Form 4  
 March 12, 2008

**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 \*  
 Crouch Walter Lee Jr

(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)  
 03/12/2008

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 Indirect Beneficial Ownership (Instr. 4)
Common Stock	03/12/2008		M	12,058 A	\$ 6.6757 92,262	D	
Common Stock	03/12/2008		M	6,201 A	\$ 3.7805 98,463	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)**

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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)	Amount or Number of Shares
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title
Director Stock Option Grant (Right to Buy)	\$ 6.6757	03/12/2008		M	12,058	06/17/1999 06/17/2009	Common Stock	12,058
Director Stock Option Grant (Right to Buy)	\$ 3.7805	03/12/2008		M	6,201	02/21/2002 02/21/2012	Common Stock	6,201
Director Stock Option Grant (Right to Buy)	\$ 9.76					01/22/2006 07/22/2015	Common Stock	5,925

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Crouch Walter Lee Jr 1117 MILITARY CUTOFF ROAD WILMINGTON, NC 28405		X		

## Signatures

Walter Lee Crouch, Jr., By: William R. Lathan, Jr.,  
Attorney-in-Fact 03/12/2008

\_\_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).

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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