

Cape Fear Bank CORP  
 Form 4  
 March 10, 2008

**FORM 4**

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

OMB APPROVAL

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**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 \*  
 Coburn John Cameron

(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)  
 03/06/2008

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)  
 President and CEO

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 Ownership (Instr. 4)
			Code	V	Amount	(D)	Price
Common Stock					123,186	D	(1)
Common Stock					2,193	I	By 401(k) plan
Common Stock					3,193	I	By Trust for John Cameron Coburn, Jr.
Common Stock	03/06/2008		M		6,201	A	\$ 3.78
	03/06/2008		M		10,335	A	

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Common Stock						\$ 3.78		
Common Stock	03/06/2008		M	4,453	A	\$ 6.68	34,149	D

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)	Amount or Number of Shares	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option Grant (Right to Buy)	\$ 6.68	03/06/2008		M	4,453	<sup>(3)</sup> 06/17/2009	Common Stock	4,453	
Director Stock Option Grant	\$ 3.78	03/06/2008		M	6,201	02/21/2002 02/21/2012	Common Stock	6,201	
Employee Stock Option Grant (Right to Buy)	\$ 3.78	03/06/2008		M	10,335	02/21/2003 02/21/2012	Common Stock	10,335	
Employee Stock Option Grant (Right to Buy)	\$ 9.76					<sup>(4)</sup> 07/22/2015	Common Stock	37,898	
	\$ 9.76					01/22/2006 07/22/2015		5,925	

Director  
 Stock  
 Option  
 Grant

Common  
 Stock

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Coburn John Cameron 1117 MILITARY CUTOFF ROAD WILMINGTON, NC 28405	X		President and CEO	

## Signatures

John Cameron Coburn, By: William R. Lathan, Jr.,  
 Attorney-in-Fact

03/07/2008

\_\_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).
- (1) Owned by the John Cameron Coburn Revocable Trust dated July 5, 2007.
- (2) The number of shares is based on the reporting person's 401 (k) plan statement as of December 31, 2007.
- (3) This option vests 20% annually beginning on June 17, 2000.
- (4) This option vests 25% annually beginning on July 22, 2006.

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.