

Cape Fear Bank CORP  
Form 8-K  
May 23, 2007

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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**FORM 8-K**

**CURRENT REPORT**

**PURSUANT TO SECTION 13 OR 15(d) OF THE**  
**SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): May 17, 2007

**CAPE FEAR BANK CORPORATION**

(Exact name of registrant as specified in its charter)

**North Carolina**  
(State or other jurisdiction

**000-51513**  
(Commission

**20-3035898**  
(IRS Employer

of incorporation)

File Number)

Identification No.)

**1117 Military Cutoff Road**

**Wilmington, North Carolina**  
(Address of principal executive offices)

**28405**  
(Zip Code)

Registrant's telephone number, including area code: (910) 509-2000

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

.. Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

.. Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

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- “ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - “ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appoint of Certain Officers; Compensation Arrangements with Certain Officers**

At our annual meeting of shareholders held on May 17, 2007, our shareholders approved our 2007 Omnibus Equity Plan which authorizes:

(1) grants to our and our subsidiaries employees of:

incentive stock options that qualify for favored tax treatment under Section 422 of the Internal Revenue Code;

non-qualified stock options;

stock appreciation rights;

restricted stock awards; and

performance share awards; and

(2) grants to our and our subsidiaries non-employee directors of:

non-qualified stock options; and

restricted stock awards.

The Plan authorizes the issuance of an aggregate of 231,469 shares of our common stock in connection with the various types of stock options and awards. That number amounts to approximately 6.5% of our total outstanding shares, and it includes 84,801 new shares being authorized for issuance (approximately 2.4% of our outstanding shares), plus 146,668 shares that were available for stock option grants under our existing 1999 Incentive Stock Option Plan and 1999 Nonstatutory Stock Option Plan when the new plan was approved by our Board of Directors. No additional stock options will be granted under those existing plans.

The Plan had been approved by our Board of Directors, upon the recommendation of its Compensation Committee, on March 15, 2007. A description of the terms of the Plan and each of the types of stock options and awards that may be granted under it is contained in our definitive proxy statement dated April 12, 2007, that we filed with the Securities and Exchange Commission and distributed to our shareholders in connection with the annual meeting.

**Item 9.01. Financial Statements and Exhibits**

**Exhibits.** The following exhibits are being filed or furnished with this Report:

<b>Exhibit No.</b>	<b>Exhibit Description</b>
10.1	2007 Omnibus Equity Plan

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, Registrant has duly caused this Report to be signed on its behalf by the undersigned thereunto duly authorized.

**CAPE FEAR BANK CORPORATION**

(Registrant)

**Date: May 22, 2007**

**By:** */s/ Betty V. Norris*  
Betty V. Norris

Senior Vice President

and Chief Financial Officer