

OAKLEY WALTER FLAKE IV
 Form 4
 October 28, 2004

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 *
OAKLEY WALTER FLAKE IV

2. Issuer Name and Ticker or Trading Symbol
COLONIAL BANGROUP INC [CNB]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
509 COUNTY DOWNS ROAD
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
10/26/2004

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
President

MONTGOMERY, AL 36109

(City) (State) (Zip)

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

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)			
			Code	V	Amount	(A) or (D)	Price			
Common Stock	10/26/2004		M		10,000	A	\$ 9.97	77,364	D	
Common Stock	10/26/2004		J ⁽¹⁾	V	355	A	\$ 18.12	77,719	D	
Common Stock	10/26/2004		J ⁽³⁾	V	74	A	\$ 18.28	4,709	I	by Sons
Common Stock								2,000	I	by Trust

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Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

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)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount or Number of Shares
Incentive Stock Option (right to buy)	\$ 9.97	10/26/2004		M	10,000	12/19/1997 12/19/2006	Common Stock 20,000
Incentive Stock Option (right to buy)	\$ 10.5					12/30/2000 ⁽⁶⁾ 12/30/2009	Common Stock 30,000
Incentive Stock Option (right to buy)	\$ 11.5313					12/30/1999 12/30/2008	Common Stock 40,000
Incentive Stock Option (right to buy)	\$ 12.54					06/18/2001 06/18/2011	Common Stock 20,000
Incentive Stock Option (right to buy)	\$ 14.81					12/28/2002 ⁽⁶⁾ 12/28/2011	Common Stock 10,000
Incentive Stock Option	\$ 17.28					12/23/2004 ⁽⁷⁾ 12/23/2013	Common Stock 8,400

(right to buy)

Non Qualified

Stock Option \$ 17.28

12/23/2004 12/23/2013

Common Stock 1,59

(right to buy)

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
OAKLEY WALTER FLAKE IV 509 COUNTY DOWNS ROAD MONTGOMERY, AL 36109			President	

Signatures

W. Flake
Oakley, IV 10/28/2004

__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) Shares issued through the Colonial BancGroup, Inc. 401K Retirement Plan.
- (2) Average purchase price of 401K shares issued throughout the year.
- (3) Shares acquired through the Colonial BancGroup, Inc. Dividend Reinvestment Plan.
- (4) Average purchase price of DRIP shares issued throughout the year.
- (5) 10,000 options exercised at a price of \$9.97 per option. Total exercise amount was \$99,700.00.
- (6) Options vest in 5 equal installments, 20% annually beginning one year from the date of grant.
- (7) 407 options vest one year from the grant date. The remaining 8,000 options vest in 4 equal installments, annually, beginning on 12/23/2005 and ending on 12/23/2008.

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.