

Hill Patti G
Form 4
August 28, 2009

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 *
Hill Patti G

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
7257 BRISBANE PLACE
(Street)

3. Date of Earliest Transaction
(Month/Day/Year)
08/25/2009

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

MONTGOMERY, AL 36117
(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 Ownership (Instr. 4)
				(A) or (D) Price			
Common Stock	08/25/2009		D ⁽⁵⁾	12,663 D \$ 0	143,310	D	
Common Stock	08/25/2009		D ⁽⁵⁾	12,663 D \$ 0	130,647	D	
Common Stock	08/25/2009		D ⁽⁵⁾	5,360 D \$ 0	125,287	D	
Common Stock	08/25/2009		D ⁽⁵⁾	5,360 D \$ 0	119,927	D	
Common Stock	08/25/2009		D ⁽⁵⁾	30,000 D \$ 0	89,927	D	

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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 Security (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount or Number of Shares
Incentive Stock Option (right to buy)	\$ 21.41					12/30/2005 ⁽¹⁾ 12/30/2014	Common Stock 10,000
Incentive Stock Option (right to buy)	\$ 10.5					12/30/2000 12/30/2009	Common Stock 20,000
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 12/28/2011	Common Stock 5,000
Incentive Stock Option (right to buy)	\$ 11.75					12/30/2007 12/30/2012	Common Stock 1,000
Non-Qualified Stock Option (right to buy)	\$ 11.75					12/30/2003 ⁽²⁾ 12/30/2012	Common Stock 2,000
Incentive Stock Option (right to buy)	\$ 17.28					12/23/2004 12/23/2013	Common Stock 5,000
Incentive Stock Option (right to buy)	\$ 25.4					04/18/2007 ⁽³⁾ 04/18/2016	Common Stock 12,800

Non Qualified Stock Option (right to buy)	\$ 25.4	04/18/2007 ⁽⁴⁾	04/18/2016	Common Stock	23,5
Non Qualified Stock Option (right to buy)	\$ 25.81	01/16/2008 ⁽¹⁾	01/16/2017	Common Stock	25,0
Non Qualified Stock Option (right to buy)	\$ 11.29	01/15/2009 ⁽¹⁾	01/15/2018	Common Stock	63,8

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Hill Patti G 7257 BRISBANE PLACE MONTGOMERY, AL 36117			Chief Operating Officer	

Signatures

/s/ Patti G. Hill 08/28/2009
 **Signature of Date
 Reporting Person

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) Options vest in 5 equal installments, 20% annually beginning one year from the date of grant.
- (2) Options vest in 4 equal installments, 25% annually beginning one year from the date of grant.
- (3) 1,105 options will vest on 4/18/2007. 1,570 options will vest on 4/18/2008. 2,251 options will vest on 4/18/2009. The remaining 7,874 options will vest in two equal installments annually beginning on the fourth anniversary of the grant date.
- (4) 6,171 options will vest on 4/18/2007. 5,706 options will vest on 4/18/2008. 5,025 options will vest on 4/18/2009. The remaining 6,678 options will vest in two equal installments, annually, beginning on the fourth anniversary of the grant date.
- (5) On August 14, 2009 the FDIC took Colonial Bank into receivership. The FDIC sold Colonial Bank and certain of its assets to BB&T. As a result, Ms. Hill ceased being an employee of an affiliate of Colonial BancGroup at the close of business on August 14th and began employment with BB&T immediately thereafter. On August 25th, 2009, Ms. Hill resigned from Colonial BancGroup, Inc. thereby causing the referenced restricted stock awards to cancel pursuant to the terms of the Colonial BancGroup, Inc. Stock Incentive Plan.

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.