

CABLE WILLIAM D
Form 4
September 12, 2012

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2015
Estimated average burden hours per response... 0.5

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 *
CABLE WILLIAM D

2. Issuer Name and Ticker or Trading Symbol
PEOPLES BANCORP OF NORTH CAROLINA INC [PEBK]

5. Relationship of Reporting Person(s) to Issuer
(Check all applicable)

(Last) (First) (Middle)
518 WEST C STREET
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
08/20/2012

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
EVP and COO

NEWTON, NC 28658
(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)
			Code	V Amount (A) or (D) Price			
Common Stock	08/20/2012		M ⁽¹⁾	7,884 A \$ 7.77	30,911.5068	D	
Common Stock	08/28/2012		S	7,884 D \$ 9.5	23,027.5068	D	
Common Stock	09/10/2012		M ⁽¹⁾	2,906 A \$ 7.77	25,933.5068	D	
Common Stock	09/10/2012		S	2,906 D \$ 9.5	23,027.5068	D	
Common Stock	09/10/2012		M ⁽¹⁾	100 A \$ 7.77	23,127.5068	D	

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Common Stock 09/10/2012 S 100 D \$ 9.6 23,027.5068 D

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

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SEC 1474
(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)	8. Amount or Number of Shares
Option, Right to Buy	\$ 7.77	08/20/2012		M	7,884	(2) 12/17/2012	Common Stock	7,884
Option, Right to Buy	\$ 7.77	09/10/2012		M	2,906	(2) 12/17/2012	Common Stock	2,906
Option, Right to Buy	\$ 7.77	09/10/2012		M	100	(2) 12/17/2012	Common Stock	100

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
CABLE WILLIAM D 518 WEST C STREET NEWTON, NC 28658			EVP and COO	

Signatures

William D.
Cable, Sr. 09/12/2012

**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) Exercised Stock Option
 - (2) These options vested in three equal installments commencing December 17, 2003.

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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