

Cape Fear Bank CORP
Form 8-K
October 24, 2007

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): October 23, 2007

CAPE FEAR BANK CORPORATION

(Exact name of registrant as specified in its charter)

North Carolina
(State or other jurisdiction
of incorporation)

000-51513
(Commission File Number)

20-3035898
(IRS Employer
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

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:

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- .. 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)
 - .. 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))
-

Item 8.01. Other Events

On October 23, 2007, the *Wilmington Star-News*, a Wilmington, NC newspaper, published an article regarding a recent securities filing by a stockholder. Statements of Cape Fear Bank Corporation were included in that article, the text of which is attached at Exhibit 99.1 hereto.

The Board of Directors of Cape Fear Bank Corporation is working with its financial and other advisers to analyze the issues raised in the recent securities filing by the shareholder, and to analyze what is in the best long term interests of all stockholders.

Item 9.01. Financial Statements and Exhibits

Exhibits. The following exhibit is filed with this Report:

Exhibit No.	Exhibit Description
99.1	Text of October 23, 2007 newspaper article

Disclosures About Forward Looking Statements

This Report and its exhibits contain statements relating to our financial condition, results of operations, plans, strategies, trends, projections of results of specific activities or investments, expectations or beliefs about future events or results, and other statements that are not descriptions of historical facts. Those statements may be forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements may be identified by terms such as may, will, should, could, expects, plans, intends, anticipates, believes, estimates, predicts, for continue, or similar terms or the negative of these terms, or other statements concerning opinions or judgments of our management about future events. Forward-looking information is inherently subject to risks and uncertainties, and actual results could differ materially from those currently anticipated due to a number of factors, which include, but are not limited to, factors discussed in our Annual Report on Form 10-K and in other reports we file with the Securities and Exchange Commission from time to time. Copies of those reports are available directly through the Commission's website at www.sec.gov. Other factors that could influence the accuracy of those forward-looking statements include, but are not limited to: (a) the financial success or changing strategies of our customers; (b) customer acceptance of our services, products and fee structure; (c) changes in competitive pressures among depository and other financial institutions or in our ability to compete effectively against larger financial institutions in our banking market; (d) actions of government regulators, or changes in laws, regulations or accounting standards, that adversely affect our business; (e) our ability to manage our growth and to underwrite increasing volumes of loans; (f) the impact on our profits of increased staffing and expenses resulting from expansion; (g) changes in the interest rate environment and the level of market interest rates that reduce our net interest margin and/or the volumes and values of loans we make and securities we hold; (h) weather and similar conditions, particularly the effect of hurricanes on our banking and operations facilities and on our customers and the coastal communities in which we do business; (i) changes in general economic or business conditions and the real estate market in our banking market (particularly changes that affect our loan portfolio, the abilities of our borrowers to repay their loans, and the values of loan collateral); and (j) other developments or changes in our business that we do not expect. Although our management believes that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. All forward-looking statements attributable to us are expressly qualified in their entirety by the cautionary statements in this paragraph. We have no obligation, and do not intend, to update these forward-looking statements.

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: October 24, 2007

By: /s/ Cameron Coburn
Cameron Coburn
Chairman, President and Chief Executive Officer

3

ap align="left" valign="bottom"> 3,069,675 *

Frank J. Caufield
548,814 360,000 *

Robert C. Clark
14,295 20,000 *

Mathias Döpfner
5,567 4,000 *

Jessica P. Einhorn
6,307 12,000 *

Patricia Fili-Krushel(4)
50,195 1,075,475 *

Reuben Mark(5)
1,063,083 129,000 *

Michael A. Miles
59,624 129,000 *

Kenneth J. Novack(6)
40,636 4,020,000 *

Wayne H. Pace(7)
142,831 1,929,688 *

Richard D. Parsons(4)(8)
639,077 6,759,150 *

Deborah C. Wright
7,307 12,000 *

All current directors and executive officers (19 persons) as a group(2)-(8)
3,723,728 22,834,926 *

* Represents beneficial ownership of less than one percent of the issued and outstanding Time Warner Common Stock on September 30, 2008.

(1) Beneficial ownership as reported in the above table has been determined in accordance with Rule 13d-3 of the Securities Exchange Act of 1934. Unless otherwise indicated, beneficial ownership represents both sole voting and sole investment power. This table does not include, unless otherwise indicated, any shares of Time Warner Common Stock or other equity securities of the Company that may be held by pension and profit-sharing plans

of other corporations or endowment funds of educational and charitable institutions for which various directors and officers serve as directors or trustees. The table includes the following equity securities of the Company beneficially owned by the named persons or group as of September 30, 2008: (i) shares of Time Warner Common Stock and restricted stock (reported under the Number of Shares column) and (ii) options to purchase Time Warner Common Stock. The table does not reflect restricted stock units and performance stock units (PSUs), none of which had vested or would vest on or within 60 days of September 30, 2008. In addition, under the Company's deferred compensation programs, a participant can elect to have the value of the deferred amounts ultimately paid out determined based on an assumed investment in Time Warner Common Stock. The participants do not have any right to vote or receive Time Warner Common Stock in connection with these assumed investments, and are ultimately paid in cash, but the assumed investments of the deferred amounts do represent an economic interest in Time Warner Common Stock. The following share equivalents, or phantom units, have been credited to the following individuals under the deferred compensation programs: Mr. Bewkes, 57,520 share equivalents; Mr. Bollenbach, 29,645 share equivalents; Mr. Mark, 25,915 share equivalents; Mr. Miles, 10,836 share equivalents; and Mr. Parsons, 160,614 share equivalents. These share equivalents are not included in the table above.

- (2) Reflects shares of Time Warner Common Stock subject to options to purchase Time Warner Common Stock issued by the Company that, on September 30, 2008, were unexercised but were exercisable on or within 60 days after that date. These shares are excluded from the Number of Shares column.

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- (3) Includes 1,200 shares of Time Warner Common Stock held by a limited partnership of which Mr. Barksdale is the sole general partner and 6,450 shares of Time Warner Common Stock held by a trust of which Mr. Barksdale is the sole trustee and beneficiary.
- (4) Includes (a) an aggregate of approximately 110,873 shares of Time Warner Common Stock held by a trust under the Time Warner Savings Plan for the benefit of directors and executive officers of the Company (including 94,368 shares for Mr. Bewkes, 691 shares for Mr. Cappuccio, 756 shares for Ms. Fili-Krushel and 1,253 shares for Mr. Parsons), (b) an aggregate of approximately 342 shares of Time Warner Common Stock held by a trust under the TWC Savings Plan held for the benefit of a current executive officer, (c) an aggregate of 18,580 shares of Time Warner Common Stock beneficially owned by the spouses of certain executive officers and directors (including 200 shares held by the spouse of Mr. Parsons), and (d) 276 shares held in an IRA account for the benefit of Ms. Fili-Krushel.
- (5) Mr. Mark has pledged 1,037,513 shares of Time Warner Common Stock.
- (6) Includes 375 shares of Time Warner Common Stock held by an irrevocable trust for the benefit of Mr. Novack's children, one of whom shares his household, and 525 shares of Time Warner Common Stock held by the Novack Family Foundation of which Mr. Novack and his wife are two of nine trustees who share voting power with respect to the shares. Mr. Novack disclaims beneficial ownership of shares held by the trust and the Novack Family Foundation.
- (7) Includes 745 shares of Time Warner Common Stock held by a trust under the Time Warner Savings Plan for the benefit of Mr. Pace. Mr. Pace retired from the position of Executive Vice President and Chief Financial Officer effective the end of December 31, 2007. Accordingly, shares of Time Warner Common Stock beneficially owned by Mr. Pace are not included in the total number of shares of Time Warner Common Stock held by all current directors and executive officers as a group. Mr. John K. Martin, Jr. is the current Executive Vice President and Chief Financial Officer of the Company. Shares of Time Warner Common Stock beneficially owned by Mr. Martin are included in the total number of shares of Time Warner Common Stock held by all current directors and executive officers as a group.
- (8) Includes 200 shares of Time Warner Common Stock held by Mr. Parsons' wife and 2,000 shares of Time Warner Common Stock held by The Parsons Family Foundation, Inc. of which Mr. Parsons is one of five directors. Mr. Parsons disclaims beneficial ownership of shares held by his wife and The Parsons Family Foundation, Inc.

Security Ownership of Certain Beneficial Owners

Based on a review of filings with the Securities and Exchange Commission, the Company has determined that the following person is a holder of more than 5% of the outstanding shares of Time Warner Common Stock as of June 30, 2008:

Name and Address of Beneficial Owner	Shares of Stock Beneficially Owned	Percent of Class
Dodge & Cox (1) 555 California Street San Francisco, CA 94104	182,507,609	5.1%

- (1) Based solely on a Form 13F filed by Dodge & Cox with the Securities and Exchange Commission on August 14, 2008.

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PROCEDURAL MATTERS

Procedure for Submitting Stockholder Proposals

Proposals for Inclusion in the Proxy Statement: Pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, stockholders may present proper proposals for inclusion in the Company's proxy statement and for consideration at the next annual meeting of its stockholders by submitting their proposals to the Company in a timely manner. In order to be included in the proxy statement for the Company's 2009 Annual Meeting of Stockholders, proposals from stockholders must be received by the Company no later than December 3, 2008, and must otherwise comply with the requirements of Rule 14a-8.

Proposals not Included in the Proxy Statement and Nominations for Directors: In addition, the Company's By-laws establish an advance notice procedure with regard to certain matters, including stockholder proposals not included in the Company's proxy statement and nominations for election as directors, to be brought before an annual meeting of stockholders. In general, notice must be received by the Corporate Secretary of the Company not less than 90 days nor more than 120 days prior to the anniversary date of the immediately preceding annual meeting (i.e., May 16, 2009) and must contain specified information concerning the matters to be brought before such meeting and concerning the stockholder proposing such matters. Therefore, to be presented at the Company's 2009 Annual Meeting of Stockholders, such a proposal or nomination must be received by the Company on or after January 16, 2009 but no later than February 15, 2009. If the date of the annual meeting is more than 30 days earlier or more than 60 days later than such anniversary date, notice must be received not earlier than the 120th day prior to such annual meeting and not later than the close of business on the later of the 90th day prior to such annual meeting or the 10th day following the day on which public announcement of the date of such meeting is first made.

If a stockholder who has notified the Company of his or her intention to present a proposal at an annual meeting does not appear or send a qualified representative to present his proposal at such meeting, the Company need not present the proposal for a vote at such meeting.

OTHER MATTERS

The Board of Directors knows of no matters other than those described in this Proxy Statement that are likely to come before the Special Meeting.

BY ORDER OF THE BOARD OF DIRECTORS,

PAUL F. WASHINGTON
Corporate Secretary

December , 2008

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APPENDIX A

**CERTIFICATE OF AMENDMENT
TO THE
RESTATED CERTIFICATE OF INCORPORATION
OF
TIME WARNER INC.**

Time Warner Inc., a corporation duly organized and existing under the General Corporation Law of the State of Delaware (the Corporation), does hereby certify that:

1. The Restated Certificate of Incorporation of the Corporation is hereby amended by deleting Section 1 of Article IV thereof and inserting the following in lieu thereof:

SECTION 1. The total number of shares of all classes of stock which the Corporation shall have authority to issue is 14.15 billion shares, consisting of (1) 750 million shares of Preferred Stock, par value \$0.10 per share (Preferred Stock), (2) 12.5 billion shares of Common Stock, par value \$0.01 per share (Common Stock), and (3) 900 million shares of Series Common Stock, par value \$0.01 per share (Series Common Stock). The number of authorized shares of any of the Preferred Stock, the Common Stock or the Series Common Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority in voting power of the stock of the Corporation entitled to vote thereon irrespective of the provisions of Section 242(b)(2) of the General Corporation Law of the State of Delaware (or any successor provision thereto), and no vote of the holders of any of the Preferred Stock, the Common Stock or the Series Common Stock voting separately as a class shall be required therefor.

Effective as of [], Eastern time, on the date this Certificate of Amendment to the Restated Certificate of Incorporation is filed with the Secretary of State of the State of Delaware, each two shares of the Corporation's Common Stock, par value \$0.01 per share, issued and outstanding or held by the Corporation as treasury stock shall, automatically and without any action on the part of the respective holders thereof, be combined and converted into one share of Common Stock, par value \$0.01 per share, of the Corporation. No fractional shares shall be issued and, in lieu thereof, any holder of less than one share of Common Stock shall, upon due surrender of any certificate previously representing a fractional share, be entitled to receive cash for such holder's fractional share based upon the volume weighted average price of the Corporation's Common Stock as reported on the New York Stock Exchange Composite Tape, as of the date this Certificate of Amendment is filed with the Secretary of State of the State of Delaware.

2. The foregoing amendment was duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware and shall become effective as of [], Eastern time, on the date this Certificate of Amendment to the Restated Certificate of Incorporation is filed with the Secretary of State of the State of Delaware.

IN WITNESS WHEREOF, Time Warner Inc. has caused this Certificate of Amendment to be executed by a duly authorized officer on this ___ day of _____, 2009.

TIME WARNER INC.

By:

Name:

Title:

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APPENDIX B

**CERTIFICATE OF AMENDMENT
TO THE
RESTATED CERTIFICATE OF INCORPORATION
OF
TIME WARNER INC.**

Time Warner Inc., a corporation duly organized and existing under the General Corporation Law of the State of Delaware (the Corporation), does hereby certify that:

1. The Restated Certificate of Incorporation of the Corporation is hereby amended by deleting Section 1 of Article IV thereof and inserting the following in lieu thereof:

SECTION 1. The total number of shares of all classes of stock which the Corporation shall have authority to issue is 9.68 billion shares, consisting of (1) 750 million shares of Preferred Stock, par value \$0.10 per share (Preferred Stock), (2) 8.33 billion shares of Common Stock, par value \$0.01 per share (Common Stock), and (3) 600 million shares of Series Common Stock, par value \$0.01 per share (Series Common Stock). The number of authorized shares of any of the Preferred Stock, the Common Stock or the Series Common Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority in voting power of the stock of the Corporation entitled to vote thereon irrespective of the provisions of Section 242(b)(2) of the General Corporation Law of the State of Delaware (or any successor provision thereto), and no vote of the holders of any of the Preferred Stock, the Common Stock or the Series Common Stock voting separately as a class shall be required therefor.

Effective as of [], Eastern time, on the date this Certificate of Amendment to the Restated Certificate of Incorporation is filed with the Secretary of State of the State of Delaware, each three shares of the Corporation's Common Stock, par value \$0.01 per share, issued and outstanding or held by the Corporation as treasury stock shall, automatically and without any action on the part of the respective holders thereof, be combined and converted into one share of Common Stock, par value \$0.01 per share, of the Corporation. No fractional shares shall be issued and, in lieu thereof, any holder of less than one share of Common Stock shall, upon due surrender of any certificate previously representing a fractional share, be entitled to receive cash for such holder's fractional share based upon the volume weighted average price of the Corporation's Common Stock as reported on the New York Stock Exchange Composite Tape, as of the date this Certificate of Amendment is filed with the Secretary of State of the State of Delaware.

2. The foregoing amendment was duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware and shall become effective as of [], Eastern time, on the date this Certificate of Amendment to the Restated Certificate of Incorporation is filed with the Secretary of State of the State of Delaware.

IN WITNESS WHEREOF, Time Warner Inc. has caused this Certificate of Amendment to be executed by a duly authorized officer on this ___ day of _____, 2009.

TIME WARNER INC.

By:

Name:

Title:

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Electronic Voting Instructions

You can vote by Internet or telephone!

Available 24 hours a day, 7 days a week!

Instead of mailing your proxy, you may choose one of the two voting methods outlined below to submit your proxy. VALIDATION DETAILS ARE LOCATED BELOW IN THE TITLE BAR.

Proxies submitted by the Internet or telephone must be received by 1:00 a.m., Central Time, on January 16, 2009.

Vote by Internet

Go to **www.investorvote.com**

Follow the steps outlined on the secured website.

Vote by telephone

Call toll free 1-800-652-VOTE (8683) within the United States, Canada & Puerto Rico at any time on a touch-tone telephone. There is **NO CHARGE** to you for the call.

Follow the instructions provided by the recorded message.

Using a **black ink** pen, mark your votes with an **X** as shown in this example. Please do not write outside the designated areas.

Special Meeting Proxy Card

123456

C0123456789

12345

<IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.>

A Proposal The Board of Directors recommends a vote FOR the Proposal.

For	Against	Abstain
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Company Proposal to
(a) authorize the Board of Directors to effect, in its discretion prior to December 31, 2009, a reverse stock split of the outstanding and treasury Common Stock of Time Warner, at a reverse stock split ratio of either 1-for-2 or 1-for-3, as determined by the Board of Directors, and
(b) approve a corresponding amendment to the Company s

Restated Certificate of Incorporation in the form attached to the accompanying Proxy Statement as Appendix A (to be filed if the Board determines a reverse stock split ratio of 1-for-2) or Appendix B (to be filed if the Board determines a reverse stock split ratio of 1-for-3) to effect the reverse stock split and to reduce proportionately the total number of shares of Common Stock and shares of Series Common Stock that Time Warner is authorized to issue, subject to the Board of Directors authority to abandon such amendment.

IF VOTING BY MAIL, YOU MUST COMPLETE SECTIONS A - C ON BOTH SIDES OF THIS CARD.

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IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE SPECIAL MEETING OF STOCKHOLDERS TO BE HELD ON FRIDAY, JANUARY 16, 2009: The Proxy Statement is available at www.timewarner.com/specialmeetingmaterials.

<IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.>

Proxy TIME WARNER INC.

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Proxy Solicited on Behalf of the Board of Directors of Time Warner Inc. for the Special Meeting of Stockholders on January 16, 2009.

The undersigned hereby acknowledges receipt of the Time Warner Inc. Notice of Special Meeting and Proxy Statement and hereby constitutes and appoints Paul T. Cappuccio, Patricia Fili-Krushel and John K. Martin, Jr., and each of them, its true and lawful agents and proxies, with full power of substitution in each, to attend the Special Meeting of Stockholders of TIME WARNER INC. on Friday, January 16, 2009, and any adjournment or postponement thereof, and to vote on the matter indicated all the shares of Common Stock that the undersigned would be entitled to vote if personally present.

This proxy when properly executed will be voted in the manner directed herein. If no direction is made, this proxy will be voted FOR the Proposal.

Please mark, date and sign this Proxy Card on the reverse side and return it promptly using the enclosed reply envelope or submit your proxy by telephone or the Internet.

Continued and to be voted on reverse side.

B Non-Voting Items

Change of Address Please print new address below.

Meeting Attendance

Mark box to the right if you plan to attend the Special Meeting.

C Authorized Signatures This section must be completed for your vote to be counted. Date and Sign Below

Please sign exactly as name(s) appears hereon. Joint owners should each sign. When signing as attorney, executor, administrator, corporate officer, trustee, guardian, or custodian, please give full title.

Date (mm/dd/yyyy) Please print date below.

Signature 1 Please keep signature within the box.

Signature 2 Please keep signature within the box.

IF VOTING BY MAIL, YOU MUST COMPLETE SECTIONS A - C ON BOTH SIDES OF THIS CARD.

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**SUBMIT YOUR CONFIDENTIAL VOTING INSTRUCTIONS
BY TELEPHONE, INTERNET OR MAIL**

Name of applicable Plans:

TIME WARNER SAVINGS PLAN

TWC SAVINGS PLAN

ELECTRONIC DELIVERY OF FUTURE SHAREHOLDER COMMUNICATIONS

If you would like to reduce the costs incurred by Time Warner Inc. in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions on the reverse side to vote using the Internet and, when prompted, indicate that you agree to receive or access shareholder communications electronically in future years.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE SPECIAL MEETING OF STOCKHOLDERS TO BE HELD ON FRIDAY, JANUARY 16, 2009: The Proxy Statement is available at www.timewarner.com/specialmeetingmaterials.

please fold and detach card at perforation before mailing

Time Warner Inc.

CONFIDENTIAL VOTING INSTRUCTIONS

Instructions solicited by Fidelity Management Trust Company on behalf of the Board of Directors for the Time Warner Inc. Special Meeting of Stockholders on January 16, 2009.

The undersigned hereby instructs Fidelity Management Trust Company (Fidelity), as Trustee, to vote as follows by proxy at the Special Meeting of Stockholders of Time Warner Inc. to be held on January 16, 2009, and at any adjournment or postponement thereof, the undersigned's proportionate interest in the shares of Time Warner Inc. Common Stock held in the Time Warner Inc. Stock Fund under each of the Time Warner Savings Plan and the TWC Savings Plan (the Plans).

Under the provisions of the Trusts relating to the Plans, Fidelity, as Trustee, is required to request your confidential instructions as to how participants' proportionate interests in the shares of Time Warner Inc. Common Stock held in the Time Warner Inc. Stock Fund under the Plans (an interest) is to be voted at the Special Meeting of Stockholders scheduled to be held on January 16, 2009. Your instructions to Fidelity will not be divulged or revealed to anyone at Time Warner Inc. If Fidelity does not receive your instructions on or prior to 5:00 P.M. (Eastern Time) via a voting instruction card or 11:59 P.M. (Eastern Time) via telephone or the Internet on January 13, 2009, your interest, if any, attributable to (a) accounts transferred from the Time Incorporated Payroll-Based Employee Stock Ownership Plan (PAYSOP) and the WCI Employee Stock Ownership Plan (WCI ESOP) will not be voted and (b) the remainder of the Plan accounts, if any, will be voted at the Special Meeting in the same proportion as other participants' interests in each such respective Plan for which Fidelity has received voting instructions (excluding PAYSOP and WCI ESOP accounts).

(PLEASE SIGN AND DATE ON THE REVERSE SIDE)

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**TIME WARNER INC.
ONE TIME WARNER CENTER
NEW YORK, NY 10019**

You must provide instructions to the Trustee by January 13, 2009 for your instructions to be tabulated. You may issue instructions by telephone or the Internet until 11:59 P.M. (Eastern Time) on that day. If you are sending instructions by mail, the Trustee must receive your executed instruction card by January 13, 2009. If you submit your instructions by telephone or the Internet, there is no need to mail back your instruction card. **If you do not provide instructions to the Trustee, the Trustee will vote your interests as required by the terms of the Plans and described on the reverse side of the card.**

You may send your voting instructions to the Trustee on the Internet, over the telephone or by mail, as follows: PROVIDE VOTING INSTRUCTIONS BY INTERNET - www.proxyvote.com

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Eastern Time on January 13, 2009. Have your voting instruction card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

PROVIDE VOTING INSTRUCTIONS BY PHONE - 1-800-690-6903

Use any touch-tone telephone to transmit your voting instructions up until 11:59 P.M. Eastern Time on January 13, 2009. Have your voting instruction card in hand when you call and then follow the instructions.

PROVIDE VOTING INSTRUCTIONS BY MAIL

Mark, sign and date your voting instruction card and return it in the postage-paid envelope we have provided or return it to Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

**TO VOTE, MARK BLOCKS BELOW IN TIMEW1 KEEP THIS PORTION FOR YOUR RECORDS
BLACK INK AS FOLLOWS:**

**THIS VOTING INSTRUCTION CARD IS
VALID ONLY WHEN SIGNED AND
DATED.**

DETACH AND RETURN THIS PORTION ONLY

**TIME WARNER
INC.**

Instructions to Vote on Proposal - The Board of Directors recommends a vote FOR the Proposal.

Please indicate if
you plan to attend
this
meeting. **Yes No**
o o

Company Proposal to (a) authorize the Board of Directors to effect, in its discretion prior to December 31, 2009, a reverse stock split of the outstanding and treasury Common Stock of Time Warner, at a reverse stock split ratio of either 1-for-2 or 1-for-3, as determined by the Board of Directors, and (b) approve a

For	Against	Abstain
o	o	o

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corresponding amendment to the Company's Restated Certificate of Incorporation in the form attached to the accompanying Proxy Statement as Appendix A (to be filed if the Board determines a reverse stock split ratio of 1-for-2) or Appendix B (to be filed if the Board determines a reverse stock split ratio of 1-for-3) to effect the reverse stock split and to reduce proportionately the total number of shares of Common Stock and shares of Series Common Stock that Time Warner is authorized to issue, subject to the Board of Directors' authority to abandon such amendment.

This instruction card must be signed exactly as name appears hereon.

Signature [PLEASE
SIGN WITHIN BOX]
Date

Signature (Joint Owners)

Date