

FLAG FINANCIAL CORP

Form 4

November 14, 2005

**FORM 4****UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

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

## OMB APPROVAL

OMB  
Number: 3235-0287  
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2005  
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(Print or Type Responses)

1. Name and Address of Reporting Person \*  
JOHNSON JAMES W

(Last) (First) (Middle)

P.O. BOX 770

(Street)

UNADILLA, GA 31091

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading  
Symbol

FLAG FINANCIAL CORP [FLAG]

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

11/14/2005

4. If Amendment, Date Original  
Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to  
Issuer

(Check all applicable)

☒ Director ☐ 10% Owner  
☐ Officer (give title below) ☐ Other (specify below)

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<br>Security<br>(Instr. 3) | 2. Transaction Date<br>(Month/Day/Year) | 2A. Deemed<br>Execution Date, if<br>any<br>(Month/Day/Year) | 3. Transaction<br>Code<br>(Instr. 8) | 4. Securities Acquired<br>(A) or Disposed of<br>(D)<br>(Instr. 3, 4 and 5) | 5. Amount of<br>Securities<br>Beneficially<br>Owned<br>Following<br>Reported<br>Transaction(s)<br>(Instr. 3 and 4) | 6. Ownership<br>Form: Direct<br>(D) or<br>Indirect (I)<br>(Instr. 4) | 7. Nature of<br>Indirect<br>Beneficial<br>Ownership<br>(Instr. 4) |
|---------------------------------------|-----------------------------------------|-------------------------------------------------------------|--------------------------------------|----------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|-------------------------------------------------------------------|
| Common<br>Stock                       | 11/14/2005                              |                                                             | M                                    | 6,000 A<br>\$ 6.51                                                         | 70,377                                                                                                             | D                                                                    |                                                                   |
| Common<br>Stock                       |                                         |                                                             |                                      |                                                                            | 2,716                                                                                                              | I                                                                    | joint with<br>Spouse                                              |
| Common<br>Stock                       |                                         |                                                             |                                      |                                                                            | 84,010                                                                                                             | I                                                                    | Retirement<br>Account                                             |
| Common<br>Stock                       |                                         |                                                             |                                      |                                                                            | 1,365                                                                                                              | I                                                                    | Custodian                                                         |

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

**Persons who respond to the collection of  
information contained in this form are not**

SEC 1474  
(9-02)

required to respond unless the form displays a currently valid OMB control number.

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of<br>Derivative<br>Security<br>(Instr. 3) | 2. Conversion<br>or Exercise<br>Price of<br>Derivative<br>Security | 3. Transaction Date<br>(Month/Day/Year) | 3A. Deemed<br>Execution Date, if<br>any<br>(Month/Day/Year) | 4. Transaction<br>Code<br>(Instr. 8) | 5. Number of<br>Derivative<br>Securities<br>Acquired (A) or<br>Disposed of (D)<br>(Instr. 3, 4, and<br>5) | 6. Date Exercisable and<br>Expiration Date<br>(Month/Day/Year) |     | 7. Title and Amount of<br>Underlying Securities<br>(Instr. 3 and 4) |                    |                 |                                        |
|-----------------------------------------------------|--------------------------------------------------------------------|-----------------------------------------|-------------------------------------------------------------|--------------------------------------|-----------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|-----|---------------------------------------------------------------------|--------------------|-----------------|----------------------------------------|
|                                                     |                                                                    |                                         |                                                             | Code                                 | V                                                                                                         | (A)                                                            | (D) | Date<br>Exercisable                                                 | Expiration<br>Date | Title           | Amount<br>or<br>Number<br>of<br>Shares |
| Common<br>Stock<br>Warrants                         | \$ 9.1                                                             | 11/14/2005                              |                                                             | D <sup>(1)</sup>                     |                                                                                                           | 6,000                                                          |     | 11/14/2005                                                          | 11/14/2005         | Common<br>Stock | 6,000                                  |
| Common<br>Stock<br>Warrants<br>(right to<br>buy)    | \$ 6.51                                                            | 11/14/2005                              |                                                             | A <sup>(1)</sup>                     |                                                                                                           | 6,000                                                          |     | 11/14/2005                                                          | 11/14/2005         | Common<br>Stock | 6,000                                  |
| Common<br>Stock<br>Warrants<br>(right to<br>buy)    | \$ 6.51                                                            | 11/14/2005                              |                                                             | M                                    |                                                                                                           | 6,000                                                          |     | 11/14/2005                                                          | 11/14/2005         | Common<br>Stock | 6,000                                  |

## Reporting Owners

| Reporting Owner Name / Address                        | Relationships |           |         |       |
|-------------------------------------------------------|---------------|-----------|---------|-------|
|                                                       | Director      | 10% Owner | Officer | Other |
| JOHNSON JAMES W<br>P.O. BOX 770<br>UNADILLA, GA 31091 | X             |           |         |       |

## Signatures

/s/ James W.  
Johnson  
11/14/2005  
\_\_\_\_\_  
\*\*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).

Amendments of the outstanding warrants with respect to the price reduction and term foreclosure result in the deemed cancellation of the

- (1) warrants and regrant of amended warrants pursuant to SEC Rule 16b-3. The warrants were originally acquired by the reporting person in a series of private placement transactions in 2002 at a cost of \$1.00 per warrant.

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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