

PEOPLES BANCORP OF NORTH CAROLINA INC
 Form 5
 February 10, 2010

FORM 5

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

OMB APPROVAL
 OMB Number: 3235-0362
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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).
 Form 3 Holdings Reported Form 4 Transactions Reported

ANNUAL 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

1. Name and Address of Reporting Person *
TERRY WILLIAM GREGORY
 (Last) (First) (Middle)

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

3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)
12/31/2009

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 Reporting
 (check applicable line)
 Form Filed by One Reporting Person
 Form Filed by More than One Reporting Person

518 WEST C STREET
 (Street)

NEWTON, NC X1 28658
 (City) (State) (Zip)

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) | | 5. Amount of Securities Beneficially Owned at end of Issuer's Fiscal Year (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|------------|--|--|---|
| | | | | Amount | (A) or (D) | Price | | |
| Common Stock | 02/12/2009 | Â | L ⁽¹⁾ | 82.08 | A | \$ 7.3684 | D | Â |
| Common Stock | 03/09/2009 | Â | L ⁽¹⁾ | 192.06 | A | \$ 5.1815 | D | Â |
| Common Stock | 03/16/2009 | Â | L ⁽²⁾ | 18.186 | A | \$ 5.7 | D | Â |
| Common Stock | 05/07/2009 | Â | L ⁽¹⁾ | 186.813 | A | \$ 6.5138 | D | Â |

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| | | | | | | | | | |
|--------------|------------|---|-------------|---------|---|-----------|------------|---|-----------------------|
| Common Stock | 06/11/2009 | Â | <u>L(1)</u> | 73.853 | A | \$ 6.7734 | 6,545.7821 | D | Â |
| Common Stock | 06/15/2009 | Â | <u>L(2)</u> | 9.8322 | A | \$ 7.51 | 6,555.6143 | D | Â |
| Common Stock | 07/29/2009 | Â | <u>L(2)</u> | 144.414 | A | \$ 6.1221 | 6,700.0283 | D | Â |
| Common Stock | 08/07/2009 | Â | <u>L(1)</u> | 53.6571 | A | \$ 6.2132 | 6,753.6854 | D | Â |
| Common Stock | 08/10/2009 | Â | <u>L(1)</u> | 26.6679 | A | \$ 6.2232 | 6,780.3533 | D | Â |
| Common Stock | 08/28/2009 | Â | <u>L(1)</u> | 17.193 | A | \$ 6.542 | 6,797.5463 | D | Â |
| Common Stock | 09/04/2009 | Â | <u>L(2)</u> | 59.394 | A | \$ 6.5316 | 6,856.9403 | D | Â |
| Common Stock | 09/15/2009 | Â | <u>L(2)</u> | 10.8014 | A | \$ 6.9 | 6,867.7417 | D | Â |
| Common Stock | 11/11/2009 | Â | <u>L(1)</u> | 243.285 | A | \$ 5.7183 | 7,111.0267 | D | Â |
| Common Stock | 12/03/2009 | Â | <u>L(1)</u> | 118.26 | A | \$ 4.1844 | 7,229.2867 | D | Â |
| Common Stock | 12/15/2009 | Â | <u>L(2)</u> | 4.2426 | A | \$ 5.07 | 7,233.5293 | D | Â |
| Common Stock | 12/17/2009 | Â | <u>G(3)</u> | 47 | A | \$ 0 | 7,280.5293 | D | Â |
| Common Stock | Â | Â | Â | Â | Â | Â | 1,650 | I | Drum Funeral Home LLC |
| Common Stock | Â | Â | Â | Â | Â | Â | 834 | I | Custodian of Daughter |
| Common Stock | Â | Â | Â | Â | Â | Â | 1,025 | I | Custodian of Son |

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 | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities | 8. Price of Derivative Security (Instr. 5) | 9. of D Se |
|--|------------------------------------|--------------------------------------|--|--------------------------------|-------------------------|--|--|--|------------|
|--|------------------------------------|--------------------------------------|--|--------------------------------|-------------------------|--|--|--|------------|

Derivative
Security

Securities
Acquired
(A) or
Disposed
of (D)
(Instr. 3,
4, and 5)

(Instr. 3 and 4)

(A) (D) Date Expiration Title Amount
Exercisable Date or
Number
of
Shares

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| TERRY WILLIAM GREGORY 518 WEST C STREET NEWTON, NC 28658 | X | ^ | ^ | ^ |

Signatures

W. Greg Terry 02/10/2010
 **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) Shares acquired through Directors and Officers Deferral Plan
- (2) shares acquired through Dividend Reinvestment Plan
- (3) 47 shares received for Service Award

Note: File three copies of this Form, one of which must be manually signed. If space provided 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.