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**UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF ALABAMA
NORTHERN DIVISION**

ERIC CROWLEY and DANNY RAY PRICE,
Individually and On Behalf of All Others
Similarly Situated,

Plaintiffs,

v.

THE COLONIAL BANCGROUP, INC.,
T. BRENT HICKS, SARAH H. MOORE, and
ROBERT E. LOWDER,

Defendants.

CIVIL ACTION NO.

**CLASS ACTION COMPLAINT FOR
VIOLATIONS OF THE FEDERAL
SECURITIES LAWS**

JURY TRIAL DEMANDED

NATURE OF THE ACTION

1. This is a class action on behalf of purchasers of the common stock of The Colonial BancGroup, Inc. ("CNB" or the "Company") between December 2, 2008 and January 27, 2009, inclusive (the "Class Period"), seeking to pursue remedies under the Securities Exchange Act of 1934 (the "Exchange Act"). As alleged herein, defendants published materially false and misleading statements that defendants knew and/or recklessly disregarded were materially false and misleading at the time of such publication, and that omitted to reveal material information necessary to make defendants' statements, in light of such material omissions, not materially false and misleading.

2. On December 2, 2008, the Company announced that the treasury had approved an application for a \$553 million preferred equity investment through the Troubled Asset Relief Program ("TARP"). In response, shares of the Company's common stock rallied 50%.

3. On January 27, 2009, however, CNB announced for the first time that the TARP funding was contingent upon CNB raising \$300 million in capital on its own. Upon this revelation, CNB's stock price collapsed 46% on January 28, 2009, a day that was in fact a very favorable trading day for other bank stocks.

4. This dramatic share price decline eradicated much of the artificial inflation from

1 CNB's share price, causing real economic loss to investors who purchased the Company's stock
2 during the Class Period.

3 **JURISDICTION AND VENUE**

4 5. The claims asserted herein arise under and pursuant to Sections 10(b) and 20(a) of
5 the Exchange Act [15 U.S.C. §§ 78j(b) and 78t(a)] and Rule 10b-5 promulgated thereunder by the
6 SEC [17 C.F.R. § 240.10b-5].

7 6. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C.
8 §§ 1331 and 1337, and Section 27 of the Exchange Act [15 U.S.C. § 78aa]. CNB common stock is
9 listed on the New York Stock Exchange and trades within the United States and the Company
10 regularly filed quarterly and year-end financial reports with the SEC.

11 7. Venue is proper in this District pursuant to Section 27 of the Exchange Act, and 28
12 U.S.C. § 1391(d). CNB is a domestic corporation that maintains its headquarters in Montgomery,
13 Alabama, docs significant business in this District, and may properly be sued in any District of the
14 United States, including the District of Alabama.

15 8. In connection with the acts alleged in this complaint, defendants, directly or
16 indirectly, used the means and instrumentalities of interstate commerce, including, but not limited
17 to, the mails, interstate telephone communications and the facilities of the national securities
18 markets.

19 **THE PARTIES**

20 9. Plaintiffs, Eric Crowley and Danny Price, as set forth in the accompanying
21 certification incorporated by reference herein, purchased shares of common stock of CNB at
22 artificially inflated prices as alleged herein during the Class Period and has been damaged thereby.

23 10. Defendant CNB is a Delaware corporation with headquarters located at 100 Colonial
24 Bank Blvd., Montgomery, Alabama. CNB is the holding company for Colonial Bank, a multi-state
25 bank group that receives deposits, offers credit card services and safe deposit box services, purchases
26 and sells investment securities and originates various loans.

27 11. Defendant Robert E. Lowder ("Lowder") is and was at all relevant times Chairman
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1 of the Board, Chief Executive Officer and President of CNB. Lowder is the beneficial owner of
2 almost 5% of the Company's outstanding stock. Lowder has served in various executive capacities
3 with CNB or its subsidiaries since 1981.

4 12. Defendant Sarah H. Moore ("Moore") is and was at all relevant times Senior
5 Executive Vice President and Chief Financial Officer of CNB. Moore signed the Form 8-K filed
6 with the SEC on January 27, 2009.

7 13. Defendant T. Brent Hicks ("Hicks") is and was at all relevant times Chief Accounting
8 Officer for CNB. Hicks signed the Form 8-K filed with the SEC on December 2, 2008.

9 14. Defendants Lowder, Moore and Hicks are referred to herein as the "Individual
10 Defendants."

11 15. Because of the Individual Defendants' positions with the Company, they had access
12 to the adverse undisclosed information about its business, operations, products, operational trends,
13 financial statements, markets and present and future business prospects via access to internal
14 corporate documents (including the Company's operating plans, budgets and forecasts and reports
15 of actual operations compared thereto), conversations and connections with other corporate officers
16 and employees, attendance at management and Board of Directors meetings and committees thereof
17 and via reports and other information provided to them in connection therewith.

18 16. As officers and controlling persons of a publicly-held company whose common stock
19 was, and is, registered with the SEC pursuant to the Exchange Act, traded on the New York Stock
20 Exchange, and governed by the provisions of the federal securities laws, the Individual Defendants
21 had a duty to promptly disseminate accurate and truthful information with respect to the Company's
22 financial condition and performance, growth, operations, financial statements, business, products,
23 markets, management, earnings and present and future business prospects, and to correct any
24 previously-issued statements that had become materially misleading or untrue, so that the market
25 price of the Company's publicly-traded common stock would be based upon truthful and accurate
26 information. The Individual Defendants' misrepresentations and omissions during the Class Period
27 violated these specific requirements and obligations.

1 acquired the common stock of CNB between December 2, 2008 and January 27, 2009, inclusive, and
2 who were damaged thereby. Excluded from the Class are defendants, the officers and directors of
3 the Company, members of their immediate families and their legal representatives, heirs, successors
4 or assigns and any entity in which defendants have or had a controlling interest.

5 21. The members of the Class are so numerous that joinder of all members is
6 impracticable. Throughout the Class Period, CNB common shares were actively traded on the New
7 York Stock Exchange. As of February 5, 2009, the Company had over 202 million shares of
8 common stock issued and outstanding and traded in the United States. While the exact number of
9 Class members is unknown to Plaintiffs at this time and can only be ascertained through appropriate
10 discovery, Plaintiffs believe that there are hundreds or thousands of members in the proposed Class.
11 Record owners and other members of the Class may be identified from records maintained by CNB
12 or its transfer agent and may be notified of the pendency of this action by mail, using the form of
13 notice similar to that customarily used in securities class actions.

14 22. Plaintiffs' claims are typical of the claims of the members of the Class as all members
15 of the Class are similarly affected by defendants' wrongful conduct in violation of federal law that
16 is complained of herein.

17 23. Plaintiffs will fairly and adequately protect the interests of the members of the Class
18 and has retained counsel competent and experienced in class and securities litigation.

19 24. Common questions of law and fact exist as to all members of the Class and
20 predominate over any questions solely affecting individual members of the Class. Among the
21 questions of law and fact common to the Class are:

22 (a) Whether the federal securities laws were violated by defendants' acts as
23 alleged herein;

24 (b) Whether statements made by defendants to the investing public during the
25 Class Period misrepresented material facts about the business, operations and management of CNB;
26 and

27 (c) To what extent the members of the Class have sustained damages and the
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1 proper measure of damages.

2 25. A class action is superior to all other available methods for the fair and efficient
3 adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the
4 damages suffered by individual Class members may be relatively small, the expense and burden of
5 individual litigation make it impossible for members of the Class to individually redress the wrongs
6 done to them. There will be no difficulty in the management of this action as a class action.

7 **SUBSTANTIVE ALLEGATIONS**

8 **Defendants' Materially False and Misleading**
9 **Statements During the Class Period**

10 26. On December 2, 2008, CNB issued a press release entitled *Colonial BancGroup*
11 *Received Preliminary Approval From the U.S. Treasury for \$550 Million in Capital*, announcing that
12 it had received preliminary approval to participate in the United States Treasury Department's capital
13 purchase program. According to the press release, CNB would receive \$550 million from the
14 Emergency Economic Stabilization Act of 2008 ("TARP funding").

15 27. The December 2, 2008 press release stated "The preliminary approval is subject to
16 certain conditions and the execution of definitive agreements."

17 28. In exchange for its investment, the Treasury would receive shares of CNB preferred
18 stock which will pay a 5% dividend for the first five years. If the shares are not redeemed within five
19 years, CNB will pay the government dividends at a 9% annual rate. In addition, the Treasury will
20 also receive warrants to purchase shares of CNB common stock for ten years.

21 29. CNB noted in the press release that the Company's Tier 1 leverage ratio would
22 increase to 9.46% on a pro forma basis from 7.29% reported at September 30, 2008. CNB's Tier
23 1 capital ratio will increase to 12.98% on a pro forma basis from 10.00% reported at September 30,
24 2008, significantly higher than the well capitalized threshold of 6%. CNB's total risk based capital
25 ratio will improve to 17.16% on a pro forma basis from 14.18% reported at September 30, 2008, also
26 notably higher than the well capitalized minimum ratio of 10%.

27 30. In the press release, defendant Lowder stated:
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1 We fully support and applaud the actions by the U.S. Treasury Department to support
2 stability, safety and soundness of the nation's financial institutions. The \$550 million
3 in new capital will enhance our capital needs with additional lending activity
throughout our five state footprint.

4 31. The December 2, 2008 press release was filed as an exhibit to a Form 8-K filed with
5 the SEC on December 2, 2008 and signed by defendant Hicks.

6 32. The market reacted favorably to the news. On December 2, 2008, on extremely heavy
7 volume of 13,073,237 shares traded, CNB stock closed at \$3.08 per share, compared with the prior
8 day's closing price of \$2 per share on volume of 2,947,325.

9 33. Defendants' statements were false and misleading because, *inter alia*:

10 (a) The preliminary approval was contingent upon the Company raising on its
11 own over half of the amount of the TARP funding; and

12 (b) The likelihood of CNB raising such an amount is questionable and was a
13 significant condition that was not disclosed to the market.

14 34. The statements made by defendants and contained in the Company's press release and
15 on Form 8-K made during the Class Period were materially false and misleading and were known
16 by defendants to be false at that time, or were recklessly disregarded as such thereby.

17 **The True Financial And Operational**
18 **Condition Of CNB Is Belatedly Disclosed**

19 35. On January 27, 2009, CNB filed with the SEC a Form 8-K, attaching a press release
20 discussing the Company's financial quarter and full year 2008 results. For the quarter, CNB reported
21 a net loss of \$825 million, or \$4.11 per share, and \$880 million, or \$4.71 per share for the fiscal year
22 ended December 31, 2008.

23 36. The Form 8-K was signed by Defendant Moore.

24 37. For the first time, CNB announced that the TARP funding was contingent upon CNB
25 increasing equity by \$300 million. Defendant Lowder stated:

26 "The Company is actively pursuing a variety of Capital raising alternatives to
27 increase equity by \$300 million which would satisfy this condition of the TARP
28 preliminary approval. The Company is currently in negotiations with several
investors. One such investor group is SunTx Capital Partners of Dallas, Texas, with

1 which the Company has signed a non-binding letter of intent with respect to a
2 potential investment by SunTx Capital Partners and prospective co-investors of up
3 to 24.9% of the Company's proforma capitalization with a price range per share of
\$1.00 to \$1.50, subject to the negotiations of a definitive agreement and obtaining of
necessary approvals."

4 38. The press release also noted that:

5 CNB is working informally with its regulators to increase its capital ratios. The
6 anticipated receipt of TARP capital and additional equity will greatly improve our
7 capital position consistent with regulatory expectations. The capital raising activities
are expected to be completed in the first quarter of 2009.

8 39. On January 27, 2009, on a conference call discussing CNB's fourth quarter 2008
9 results, Defendant Moore acknowledged that "TARP is conditioned upon Colonial obtaining \$300
10 million of additional capital".

11 40. Moreover, during the same conference call, Defendant Lowder admitted that this
12 \$300 million additional capital requirement was one of the conditions imposed by the U.S. Treasury
13 Department in December, when the Company announced it received preliminary approval to
14 participate in the TARP program.

15 41. This revelation, however, comes at a time when CNB faces a potentially dire capital
16 situation. According to a the Wall Street Journal article published on January 29, 2009, prospects
17 of raising \$300 million in capital from outside investors is a "tall order in today's environment,
18 especially for a bank that lost \$825 million in the fourth quarter."

19 42. On February 2, 2009, TheStreet.com noted in an article entitled "Beware Bank's
20 Unfunded TARP Talk" that:

21 The problem is the Company [CNB] never mentioned this in its Dec[ember] 2 filing.
22 In an environment where the public equity market was pretty much closed to banks,
and the competition for private money was fierce, this might have raised concern to
some investors who believed receiving the TARP money was a mere formality.

23 43. The market for CNB's common stock was open, well-developed and efficient at all
24 relevant times. As a result of these materially false and misleading statements and failures to
25 disclose, CNB common stock traded at artificially-inflated prices during the Class Period. Plaintiffs
26 and other members of the Class purchased or otherwise acquired CNB common stock based upon
27 the assumed integrity of the market price of CNB common stock and market information relating
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1 to CNB, and have been damaged thereby.

2 44. During the Class Period, defendants materially misled the investing public, thereby
3 inflating the price of CNB common stock by publicly issuing false and misleading statements and
4 omitting to disclose material facts necessary to make defendants' statements, as set forth herein, not
5 false and misleading. Said statements and omissions were materially false and misleading in that
6 they failed to disclose material adverse information and misrepresented the truth about the Company,
7 its business and operations, as alleged herein.

8 45. At all relevant times, the material misrepresentations and omissions particularized
9 in this Complaint directly or proximately caused or were a substantial contributing cause of the
10 damages sustained by Plaintiffs and other members of the Class. As described herein, during the
11 Class Period, defendants made or caused to be made a series of materially false or misleading
12 statements about CNB's business, prospects and operations. These material misstatements and
13 omissions had the cause and effect of creating in the market an unrealistically positive assessment
14 of CNB and its business, prospects and operations, thus causing the Company's common stock to
15 be overvalued and artificially inflated at all relevant times. Defendants' materially false and
16 misleading statements during the Class Period resulted in Plaintiffs and other members of the Class
17 purchasing the Company's common stock at artificially-inflated prices, thus causing the damages
18 complained of herein.

19 **CAUSATION AND ECONOMIC LOSS**

20 46. During the Class Period, as detailed herein, defendants engaged in a scheme to
21 deceive the market, and a course of conduct that artificially inflated CNB's stock price and operated
22 as a fraud or deceit on Class Period purchasers of CNB's stock by misrepresenting the Company's
23 financial prospects. As such, the announcements and press releases during the Class Period were
24 false and misleading. When defendants' prior misrepresentations and fraudulent conduct came to
25 be revealed to investors, shares of CNB declined precipitously – evidence that the prior artificial
26 inflation in the price of CNB's shares was eradicated. As a result of their purchases of CNB stock
27 during the Class Period, Plaintiffs and other members of the Class suffered economic losses, i.e.
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1 damages under the federal securities laws.

2 47. By improperly misrepresenting the Company's financial prospects, defendants
3 presented a misleading image of CNB's business and future growth prospects. During the Class
4 Period, this caused and maintained the artificial inflation in CNB's stock price throughout the Class
5 Period, until the truth about the Company was ultimately revealed to investors.

6 48. On January 27, 2009, after the close of the market, defendants revealed that the TARP
7 funding was conditioned upon the Company raising \$300 million in capital on its own.

8 49. As a direct result of defendants' statements on January 27, 2009, that indicated that
9 the Company might not receive financing from the United States government, CNB's stock price
10 collapsed 46% on January 28, 2009, a day that was in fact a very favorable trading day for other bank
11 stocks. This dramatic share price decline eradicated much of the artificial inflation from CNB's
12 share price, causing real economic loss to investors who purchased the Company's stock during the
13 Class Period. In sum, as the truth about defendants' fraud and improper course of conduct became
14 known to investors, and as the artificial inflation in the price of CNB shares was eliminated,
15 Plaintiffs and the other members of the Class were damaged, suffering an economic loss.

16 50. The decline in CNB's stock price at the end of the Class Period was a direct result
17 of the nature and extent of defendants' fraud being revealed to investors and to the market. The
18 timing and magnitude of CNB's stock price decline negates any inference that the losses suffered
19 by Plaintiffs and the other members of the Class was caused by changed market conditions,
20 macroeconomic or industry factors or even Company-specific facts unrelated to defendants'
21 fraudulent conduct.

22 **ADDITIONAL SCIENTER ALLEGATIONS**

23 51. As alleged herein, defendants acted with scienter in that each defendant knew that the
24 public documents and statements issued or disseminated in the name of the Company were
25 materially false and misleading; knew that such statements or documents would be issued or
26 disseminated to the investing public; and knowingly and substantially participated or acquiesced in
27 the issuance or dissemination of such statements or documents as primary violations of the federal
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1 securities laws. As set forth elsewhere herein in detail, defendants, by virtue of their receipt of
2 information reflecting the true facts regarding CNB, their control over, and/or receipt and/or
3 modification of CNB's allegedly materially misleading misstatements and/or their associations with
4 the Company which made them privy to confidential proprietary information concerning CNB,
5 participated in the fraudulent scheme alleged herein.

6 52. Defendants were motivated to materially misrepresent to the SEC and investors the
7 true financial condition of the Company because the scheme: (i) deceived the investing public
8 regarding CNB's business, operations, management and the intrinsic value of CNB common stock,
9 and allowed defendants to artificially inflate the price of Company shares; and (ii) caused Plaintiffs
10 and other members of the Class to purchase CNB common stock at artificially-inflated prices.

11 **APPLICABILITY OF PRESUMPTION OF RELIANCE:**
12 **THE FRAUD-ON-THE-MARKET DOCTRINE**

13 53. At all relevant times, the market for CNB's common stock was an efficient market
14 for the following reasons, among others:

15 (a) CNB's stock met the requirements for listing, and was listed and actively
16 traded on the New York Stock Exchange, a highly efficient and automated market;

17 (b) As a regulated issuer, CNB filed periodic public reports with the SEC and
18 the New York Stock Exchange;

19 (c) CNB regularly communicated with public investors via established market
20 communication mechanisms, including through regular disseminations of press releases on the
21 national circuits of major newswire services and through other wide-ranging public disclosures, such
22 as communications with the financial press and other similar reporting services; and

23 (d) CNB was followed by numerous securities analysts employed by major
24 brokerage firm(s) who wrote reports which were distributed to the sales force and certain customers
25 of their respective brokerage firm(s). Each of these reports was publicly available and entered the
26 public marketplace.

27 54. As a result of the foregoing, the market for CNB securities promptly digested current
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1 information regarding CNB from all publicly available sources and reflected such information in
2 CNB's stock price. Under these circumstances, all purchasers of CNB common stock during the
3 Class Period suffered similar injury through their purchase of CNB common stock at artificially
4 inflated prices and a presumption of reliance applies.

5 NO SAFE HARBOR

6 55. The statutory safe harbor provided for forward-looking statements under certain
7 circumstances does not apply to any of the allegedly false statements pleaded in this complaint.
8 Many of the specific statements pleaded herein were not identified as "forward-looking statements"
9 when made. To the extent there were any forward-looking statements, there were no meaningful
10 cautionary statements identifying important factors that could cause actual results to differ materially
11 from those in the purportedly forward-looking statements. Alternatively, to the extent that the
12 statutory safe harbor does apply to any forward-looking statements pleaded herein, defendants are
13 liable for those false forward-looking statements because at the time each of those forward-looking
14 statements was made, the particular speaker knew that the particular forward-looking statement was
15 false, and/or the forward-looking statement was authorized and/or approved by an executive officer
16 of CNB who knew that those statements were false when made.

17 BASIS OF ALLEGATIONS

18 56. Plaintiffs have made allegations contained herein based upon the investigation of
19 Plaintiffs' counsel, which included a review of SEC filings by CNB, as well as regulatory filings and
20 reports, securities analysts' reports and advisories about the Company, press releases and other
21 public statements issued by the Company, and media reports about the Company, and Plaintiffs
22 believe that substantial additional evidentiary support will exist for the allegations set forth herein
23 after a reasonable opportunity for discovery.
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1 **COUNT I**

2 **Violation Of Section 10(b) Of the**
3 **Exchange Act and Rule 10b-5 Against All Defendants**

4 57. Plaintiffs repeat and realleges each and every allegation contained above as if fully
5 set forth herein.

6 58. During the Class Period, defendants carried out a plan, scheme and course of conduct
7 which was intended to and, throughout the Class Period, did: (i) deceive the investing public
8 regarding CNB's business, operations, management and the intrinsic value of CNB common stock,
9 and allow defendants to artificially inflate the price of Company shares; and (ii) cause Plaintiffs and
10 other members of the Class to purchase CNB common stock at artificially-inflated prices. In
11 furtherance of this unlawful scheme, plan and course of conduct, defendants, jointly and individually
12 (and each of them) took the actions set forth herein.

13 59. Defendants (a) employed devices, schemes, and artifices to defraud; (b) made untrue
14 statements of material fact and/or omitted to state material facts necessary to make the statements
15 not misleading; and (c) engaged in acts, practices, and a course of business which operated as a fraud
16 and deceit upon the purchasers of the Company's common stock in an effort to maintain artificially
17 high market prices for CNB's common stock in violation of Section 10(b) of the Exchange Act and
18 Rule 10b-5. All defendants are sued either as primary participants in the wrongful and illegal
19 conduct charged herein or as controlling persons as alleged below.

20 60. Defendants, individually and in concert, directly and indirectly, by the use, means or
21 instrumentalities of interstate commerce and/or of the mails, engaged and participated in a
22 continuous course of conduct to conceal adverse material information about the business, operations
23 and future prospects of CNB as specified herein.

24 61. Defendants employed devices, schemes and artifices to defraud, while in possession
25 of material adverse non-public information and engaged in acts, practices, and a course of conduct
26 as alleged herein in an effort to assure investors of CNB's value and performance and continued
27 substantial growth, which included the making of, or the participation in the making of, untrue
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1 statements of material facts and omitting to state material facts necessary in order to make the
2 statements made about CNB and its business operations and future prospects in the light of the
3 circumstances under which they were made, not misleading, as set forth more particularly herein,
4 and engaged in transactions, practices and a course of business which operated as a fraud and deceit
5 upon the purchasers of CNB common stock during the Class Period.

6 62. Primary liability and controlling person liability of the Individual Defendants arises
7 from the fact that they: (i) were high-level executives and/or director at the Company during the
8 Class Period and/or members of the Company's management team or had control thereof; (ii) by
9 virtue of their responsibilities and activities as a senior officers and/or directors of the Company were
10 privy to and participated in the creation, development and reporting of the Company's internal plans
11 and/or reports; (iii) enjoyed significant personal contact and familiarity with the other defendants and
12 were advised of and had access to other members of the Company's management team, internal
13 reports and other data and information about the Company's finances, operations, and sales at all
14 relevant times; and (iv) were aware of the Company's dissemination of information to the investing
15 public which he knew or recklessly disregarded was materially false and misleading.

16 63. The defendants had actual knowledge of the misrepresentations and omissions of
17 material facts set forth herein, or acted with reckless disregard for the truth in that they failed to
18 ascertain and to disclose such facts. Such defendants' material misrepresentations and/or omissions
19 were done knowingly or recklessly for the purpose and effect of concealing CNB's operating
20 condition and future business prospects from the investing public and supporting the artificially
21 inflated price of its common stock. As demonstrated by defendants' overstatements and
22 misstatements of the Company's business, operations and earnings throughout the Class Period,
23 defendants, if they did not have actual knowledge of the misrepresentations and omissions alleged,
24 were reckless in failing to obtain such knowledge by recklessly refraining from taking those steps
25 necessary to discover whether those statements were false or misleading.

26 64. As a result of the dissemination of the materially false and misleading information
27 and failure to disclose material facts, as set forth above, the market price of CNB common stock was
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1 and/or intimate knowledge of the false financial statements filed by the Company with the SEC and
2 disseminated to the investing public, the Individual Defendants had the power to influence and
3 control and did influence and control, directly or indirectly, the decision-making of the Company,
4 including the content and dissemination of the various statements which Plaintiffs contend are false
5 and misleading. The Individual Defendants were provided with or had unlimited access to copies
6 of the Company's reports, press releases, public filings and other statements alleged by Plaintiffs to
7 be misleading prior to and/or shortly after these statements were issued and had the ability to prevent
8 the issuance of the statements or cause the statements to be corrected.

9 70. In particular, the Individual Defendants had direct and supervisory involvement in
10 the day-to-day operations of the Company and, therefore, is presumed to have had the power to
11 control or influence the particular transactions giving rise to the securities violations as alleged
12 herein, and exercised the same.

13 71. As set forth above, CNB and the Individual Defendants each violated Section 10(b)
14 and Rule 10b-5 by their acts and omissions as alleged in this Complaint. By virtue of his positions
15 as a controlling person, the Individual Defendants are liable pursuant to Section 20(a) of the
16 Exchange Act. As a direct and proximate result of defendants' wrongful conduct, Plaintiffs and
17 other members of the Class suffered damages in connection with their purchases of the Company's
18 common stock during the Class Period.

19 WHEREFORE, Plaintiffs pray for relief and judgment, as follows:

20 A. Determining that this action is a proper class action, designating Plaintiffs as Lead
21 Plaintiffs and certifying Plaintiffs as a class representative under Rule 23 of the Federal Rules of
22 Civil Procedure and Plaintiffs' counsel as Lead Counsel;

23 B. Awarding compensatory damages in favor of Plaintiffs and the other Class members
24 against all defendants, jointly and severally, for all damages sustained as a result of defendants'
25 wrongdoing, in an amount to be proven at trial, including interest thereon;

26 C. Awarding Plaintiffs and the Class their reasonable costs and expenses incurred in this
27 action, including counsel fees and expert fees;

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1 D. Awarding extraordinary, equitable and/or injunctive relief as permitted by law, equity
2 and the federal statutory provisions sued hereunder, pursuant to Rules 64 and 65 and any appropriate
3 state law remedies to assure that the Class has an effective remedy; and

4 E. Such other and further relief as the Court may deem just and proper.

5 **JURY TRIAL IS DEMANDED**

6 Plaintiffs demand a trial by jury.

7 DATED: February 20, 2009

THE GARDNER FIRM, P.C.

8 By: s/J. Cecil Gardner
9 J. CECIL GARDNER (GARDJ3461)
10 P. O. Box 3103
11 Mobile Alabama 36652
12 251-433-8100
13 Fax 251-433-8181
14 jcg@thegardnerfirm.com

**BEERS, ANDERSON, JACKSON,
PATTY & FAWAL, P.C.**
15 James H. Anderson (ANDEJ4440)
16 P. O. Box 1988
17 Montgomery, AL 36102-1988
18 334-834-5311
19 Fax 334-834-5362
20 janderson@beersanderson.com

FARUQI & FARUQI, LLP
21 Nadeem Faruqi
22 Emily Komlossy
23 Antonio Vozzolo
24 *Pro Hac Vice Pending*
25 369 Lexington Avenue, 10th Floor
26 New York, NY 10016
27 Telephone: 212/983-9330
28 Facsimile: 212/983-9331
ekomlossy@faruqilaw.com
avozzolo@faruqilaw.com

GARDY & NOTIS, LLP
Mark C. Gardy
James S. Notis
Pro Hac Vice Pending
550 Sylvan Avenue, #110
Englewood Cliffs, New Jersey 07632
Telephone: 201/567-7377
Facsimile: 201/567-7337
mgardy@gardylaw.com
jnotis@gardylaw.com

Counsel for Plaintiffs

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Please serve the defendants by certified mail as follows:

Colonial Bancgroup Inc.
c/o Carrie McCollum
1 Commerce Street - Suite 305
Montgomery, AL 36104-3542

Thomas Brent Hicks
8101 Wyndridge Dr
Montgomery AL 36117-7422

Sarah H. Moore
124 Evergreen Dr
Deatsville AL 36022-4444

Robert E. Lowder
2080 Bell Rd
Montgomery AL 36117-4345

CERTIFICATION OF ERIC CROWLEY
IN SUPPORT OF CLASS ACTION COMPLAINT

Eric Crowley ("plaintiff") declares, as to the claims asserted under the federal securities laws, that:

1. Plaintiff has reviewed the complaint prepared by counsel and has authorized its filing.
2. Plaintiff did not purchase the security that is the subject of the complaint at the direction of plaintiffs' counsel or in order to participate in any private action arising under the federal securities laws.
3. Plaintiff is willing to serve as a representative party on behalf of a class, including providing testimony at deposition and trial, if necessary.
4. During the proposed Class Period, plaintiff executed the following transactions relating to Colonial BancGroup, Inc.:

Purchase of 200 shares at \$2 3/8 per share on 12/19/08
5. In the past three years, plaintiff has not sought to serve as a representative party on behalf of a class in an action filed under the federal securities laws.
6. Plaintiff will not accept any payment for serving as a representative party on behalf of a class beyond plaintiff's pro rata share of any recovery, except such reasonable costs

and expenses (including lost wages) directly relating to the representation of the Class as ordered or approved by the Court.

The foregoing are, to the best of my knowledge and belief, true and correct statements.

February 13, 2009


ERIC CROWLEY

CERTIFICATION OF DANNY RAY PRICE
IN SUPPORT OF CLASS ACTION COMPLAINT

Danny Ray Price ("plaintiff") declares, as to the claims asserted under the federal securities laws, that:

1. Plaintiff has reviewed the complaint prepared by counsel and has authorized its filing.
2. Plaintiff did not purchase the security that is the subject of the complaint at the direction of plaintiffs' counsel or in order to participate in any private action arising under the federal securities laws.
3. Plaintiff is willing to serve as a representative party on behalf of a class, including providing testimony at deposition and trial, if necessary.
4. During the proposed Class Period, plaintiff executed the following transactions relating to Colonial BancGroup, Inc.:

Purchase of 500 shares at \$2.06990 on 12/2/08
Purchase of 100 shares at \$1.6999 on 1/26/09
Purchase of 500 shares at \$.87 on 1/28/09
5. In the past three years, plaintiff has not sought to serve as a representative party on behalf of a class in an action filed under the federal securities laws.
6. Plaintiff will not accept any payment for serving as a representative party on behalf of a class beyond plaintiffs pro rata share of any recovery, except such reasonable costs and expenses (including lost wages) directly relating to the representation of the Class as ordered or approved by the Court.

The foregoing are, to the best of my knowledge and belief, true and correct statements.

February 20, 2009.


DANNY RAY PRICE