

FLAG FINANCIAL CORP
Form SC 13D/A
July 31, 2006

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

SCHEDULE 13D

Under the Securities Exchange Act of 1934
(Amendment No. 1)*

Flag Financial Corp.

(Name of Issuer)

Common Stock, par value \$1.00 per share

(Title of Class of Securities)

33832H107

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(CUSIP Number)

Mr. Terry Maltese, Sandler O Neill Asset Management LLC,

780 Third Avenue, 5th Floor, New York, NY 10017 (212) 486-7300

(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)

July 27, 2006

(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(b)(3) or (4), check the following box " .

Note: Six copies of this statement, including all exhibits, should be filed with the Commission. See Rule 13d-1(a) for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be filed for the purpose of Section 18 of the Securities Exchange Act of 1934 (Act) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

Page 1 of 16 pages.

Exhibit Index located on Page 12

SEC 1746 (12-91)

SCHEDULE 13D

CUSIP No. 33832H107

Page 2 of 16 Pages

1. Name of Reporting Person

S.S. or I.R.S. Identification No. of above person

Sandler O'Neill Asset Management, LLC

2. Check the Appropriate Box if a Member of a Group*

(a) ..

(b) ..

3. SEC Use Only

4. Source of Funds*

00

5. Check Box if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) ..

6. Citizen or Place of Organization

New York

7. Sole Voting Power

NUMBER OF

SHARES

8. Shared Voting Power

BENEFICIALLY

OWNED BY

811,400

EACH

9. Sole Dispositive Power

REPORTING

PERSON

10. Shared Dispositive Power

WITH

811,400

11. Aggregate Amount Beneficially Owned by Each Reporting Person

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811,400

12. Check Box if the Aggregate Amount in Row (11) Excludes Certain Shares*

13. Percent of Class Represented by Amount in Row (11)

4.8%

14. Type of Reporting Person*

00

***SEE INSTRUCTIONS BEFORE FILLING OUT!**

INCLUDE BOTH SIDES OF THE COVER PAGE, RESPONSES TO ITEMS 1-7

(INCLUDING EXHIBITS) OF THE SCHEDULE, AND THE SIGNATURE ATTESTATION.

SCHEDULE 13D

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Page 3 of 16 Pages

1. Name of Reporting Person

S.S. or I.R.S. Identification No. of above person

SOAM Holdings, LLC

2. Check the Appropriate Box if a Member of a Group*

(a) ..

(b) ..

3. SEC Use Only

4. Source of Funds*

00

5. Check Box if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) ..

6. Citizen or Place of Organization

Delaware

7. Sole Voting Power

NUMBER OF

SHARES

8. Shared Voting Power

BENEFICIALLY

OWNED BY

461,380

EACH

9. Sole Dispositive Power

REPORTING

PERSON

10. Shared Dispositive Power

WITH

461,380

11. Aggregate Amount Beneficially Owned by Each Reporting Person

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461,380

12. Check Box if the Aggregate Amount in Row (11) Excludes Certain Shares*

13. Percent of Class Represented by Amount in Row (11)

2.73%

14. Type of Reporting Person*

00

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SCHEDULE 13D

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1. Name of Reporting Person

S.S. or I.R.S. Identification No. of above person

Malta Partners, L.P.

2. Check the Appropriate Box if a Member of a Group*

(a) ..

(b) ..

3. SEC Use Only

4. Source of Funds*

WC

5. Check Box if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) ..

6. Citizen or Place of Organization

Delaware

7. Sole Voting Power

NUMBER OF

SHARES

8. Shared Voting Power

BENEFICIALLY

OWNED BY

40,180

EACH

9. Sole Dispositive Power

REPORTING

PERSON

10. Shared Dispositive Power

WITH

40,180

11. Aggregate Amount Beneficially Owned by Each Reporting Person

40,180

12. Check Box if the Aggregate Amount in Row (11) Excludes Certain Shares*

13. Percent of Class Represented by Amount in Row (11)

0.24%

14. Type of Reporting Person*

PN

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SCHEDULE 13D

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Page 5 of 16 Pages

1. Name of Reporting Person

S.S. or I.R.S. Identification No. of above person

Malta Hedge Fund, L.P.

2. Check the Appropriate Box if a Member of a Group*

(a) ..

(b) ..

3. SEC Use Only

4. Source of Funds*

WC

5. Check Box if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)

..

6. Citizen or Place of Organization

Delaware

7. Sole Voting Power

NUMBER OF

SHARES

8. Shared Voting Power

BENEFICIALLY

OWNED BY

38,160

EACH

9. Sole Dispositive Power

REPORTING

PERSON

10. Shared Dispositive Power

WITH

38,160

11. Aggregate Amount Beneficially Owned by Each Reporting Person

38,160

12. Check Box if the Aggregate Amount in Row (11) Excludes Certain Shares*

13. Percent of Class Represented by Amount in Row (11)

0.23%

14. Type of Reporting Person*

PN

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1. Name of Reporting Person

S.S. or I.R.S. Identification No. of above person

Malta Hedge Fund II, L.P.

2. Check the Appropriate Box if a Member of a Group*

(a) ..

(b) ..

3. SEC Use Only

4. Source of Funds*

WC

5. Check Box if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)

..

6. Citizen or Place of Organization

Delaware

7. Sole Voting Power

NUMBER OF

SHARES

8. Shared Voting Power

BENEFICIALLY

OWNED BY

209,920

EACH

9. Sole Dispositive Power

REPORTING

PERSON

10. Shared Dispositive Power

WITH

209,920

11. Aggregate Amount Beneficially Owned by Each Reporting Person

209,920

12. Check Box if the Aggregate Amount in Row (11) Excludes Certain Shares*

13. Percent of Class Represented by Amount in Row (11)

1.24%

14. Type of Reporting Person*

PN

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CUSIP No. 33832H107

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1. Name of Reporting Person

S.S. or I.R.S. Identification No. of above person

Malta MLC Fund, L.P.

2. Check the Appropriate Box if a Member of a Group*

(a) ..

(b) ..

3. SEC Use Only

4. Source of Funds*

WC

5. Check Box if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)

..

6. Citizen or Place of Organization

Delaware

7. Sole Voting Power

NUMBER OF

SHARES

8. Shared Voting Power

BENEFICIALLY

OWNED BY

173,120

EACH

9. Sole Dispositive Power

REPORTING

PERSON

10. Shared Dispositive Power

WITH

173,120

11. Aggregate Amount Beneficially Owned by Each Reporting Person

173,120

12. Check Box if the Aggregate Amount in Row (11) Excludes Certain Shares*

13. Percent of Class Represented by Amount in Row (11)

1.02%

14. Type of Reporting Person*

PN

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1. Name of Reporting Person

S.S. or I.R.S. Identification No. of above person

Malta MLC Offshore, Ltd

2. Check the Appropriate Box if a Member of a Group*

(a) ..

(b) ..

3. SEC Use Only

4. Source of Funds*

WC

5. Check Box if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)

..

6. Citizen or Place of Organization

Cayman Islands

7. Sole Voting Power

NUMBER OF

SHARES

8. Shared Voting Power

BENEFICIALLY

OWNED BY

220,780

EACH

9. Sole Dispositive Power

REPORTING

PERSON

10. Shared Dispositive Power

WITH

220,780

11. Aggregate Amount Beneficially Owned by Each Reporting Person

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220,780

12. Check Box if the Aggregate Amount in Row (11) Excludes Certain Shares*

13. Percent of Class Represented by Amount in Row (11)

1.31%

14. Type of Reporting Person*

CO

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1. Name of Reporting Person

S.S. or I.R.S. Identification No. of above person

Malta Offshore, Ltd

2. Check the Appropriate Box if a Member of a Group*

(a) ..

(b) ..

3. SEC Use Only

4. Source of Funds*

WC

5. Check Box if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)

..

6. Citizen or Place of Organization

Cayman Islands

7. Sole Voting Power

NUMBER OF

SHARES

8. Shared Voting Power

BENEFICIALLY

OWNED BY

129,240

EACH

9. Sole Dispositive Power

REPORTING

PERSON

10. Shared Dispositive Power

WITH

129,240

11. Aggregate Amount Beneficially Owned by Each Reporting Person

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129,240

12. Check Box if the Aggregate Amount in Row (11) Excludes Certain Shares*

13. Percent of Class Represented by Amount in Row (11)

0.76%

14. Type of Reporting Person*

CO

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1. Name of Reporting Person

S.S. or I.R.S. Identification No. of above person

Terry Maltese

2. Check the Appropriate Box if a Member of a Group*

(a) ..

(b) ..

3. SEC Use Only

4. Source of Funds*

00

5. Check Box if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)

..

6. Citizen or Place of Organization

USA

7. Sole Voting Power

NUMBER OF

SHARES

8. Shared Voting Power

BENEFICIALLY

OWNED BY

811,400

EACH

9. Sole Dispositive Power

REPORTING

PERSON

10. Shared Dispositive Power

WITH

811,400

11. Aggregate Amount Beneficially Owned by Each Reporting Person

811,400