

CORNERSTONE BANCORP INC

Form 5/A

February 11, 2005

FORM 5**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).

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

OMB APPROVAL

OMB
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1. Name and Address of Reporting Person *
FORGOTSON MERRILL J

(Last) (First) (Middle)

7 BAYBERRY LANE

(Street)

WESTPORT, CT 06880

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading
Symbol
CORNERSTONE BANCORP INC
[CBN]

3. Statement for Issuer's Fiscal Year Ended
(Month/Day/Year)
12/31/2004

4. If Amendment, Date Original
Filed(Month/Day/Year)
02/11/2005

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

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

6. Individual or Joint/Group Reporting

(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 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) (Instr. 3, 4 and 5)			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	Â	Â	Â	Â	Â	Â	7,700	D	Â
Common Stock	Â	Â	Â	Â	Â	Â	1,251.987 (1)	I	By wife as custodian for child
Common Stock	Â	Â	Â	Â	Â	Â	1,942.508 (2)	I	By wife
Common	Â	Â	Â	Â	Â	Â	60	I	By child

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Stock

Common Stock	04/07/2004	04/07/2004	W	10,250	A	\$ 0	10,330.99 (3)	I	By trust of which wife is trustee
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Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 2270
(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 Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)	Amount or Number of Shares
					(A) (D)	Date Exercisable	Expiration Date	Title	
Employee stock option - right to buy	\$ 13.636	Â	Â	Â	Â Â	05/29/2001	05/29/2011	Common Stock	22,000
Employee stock option - right to buy	\$ 14.545	Â	Â	Â	Â Â	01/02/2002	01/02/2012	Common Stock	2,200
Employee stock option - right to buy	\$ 20.3	Â	Â	Â	Â Â	01/02/2004	01/02/2014	Common Stock	2,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
FORGOTSON MERRILL J 7 BAYBERRY LANE	Â X	Â	Â Chairman & President	Â

WESTPORT, CT 06880

Signatures

Leigh A. Hardisty as Power of
Attorney

02/11/2005

____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).
- (1) The reporting person received 21.536 shares of common stock as a result of participation in the Bancorp's plan for the reinvestment of dividends.
- (2) The reporting person received 33.414 shares of common stock as a result of participation in the Bancorp's plan for the reinvestment of dividends.
- (3) The reporting person received 80.99 shares of common stock as a result of participation in the Bancorp's plan for the reinvestment of dividends.

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.