

SAPPERN DONALD  
Form 4  
January 04, 2006

**FORM 4**

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

OMB APPROVAL

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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).

**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

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
SAPPERN DONALD

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

5. Relationship of Reporting Person(s) to Issuer  
  
(Check all applicable)

(Last) (First) (Middle)  
16 WEDGEWOOD RD  
  
(Street)

3. Date of Earliest Transaction  
(Month/Day/Year)  
01/02/2006

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

WESTPORT, CT 06880  
  
(City) (State) (Zip)

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

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 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 Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|----------------------------------------------------------|-----------------------------------|
|                                 |                                      |                                                    | Code                           | V                                                                 | Amount (A) or (D) Price                                                                       |                                                          |                                   |
| Common Stock                    | 01/02/2006                           |                                                    | U                              |                                                                   | 319 D \$ 35 (1) 0                                                                             | I                                                        | By wife's IRA FBO herself         |
| Common Stock                    | 01/02/2006                           |                                                    | U                              |                                                                   | 451 D \$ 35 (1) 0                                                                             | I                                                        | By company                        |
| Common Stock                    | 01/02/2006                           |                                                    | U                              |                                                                   | 3,680 D \$ 35 (1) 0                                                                           | I                                                        | By IRA FBO himself                |
| Common Stock                    | 01/02/2006                           |                                                    | U                              |                                                                   | 529 D \$ 35 (1) 0                                                                             | D                                                        |                                   |

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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 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) | 8. Price of Derivative Security (Instr. 5) | 9. Number of Derivative Securities Beneficially Owned Following Reported Transaction (Instr. 6) |
|--------------------------------------------|--------------------------------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-----------------------------------------------------------------------------------------|----------------------------------------------------------|---------------------------------------------------------------|--------------------------------------------|-------------------------------------------------------------------------------------------------|
|                                            |                                                        |                                      |                                                    |                                |                                                                                         | Date Exercisable                                         | Expiration Date                                               | Title                                      | Amount or Number of Shares                                                                      |
|                                            |                                                        |                                      |                                                    |                                |                                                                                         | Code                                                     | V                                                             | (A)                                        | (D)                                                                                             |

## Reporting Owners

| Reporting Owner Name / Address                          | Relationships |           |         |       |
|---------------------------------------------------------|---------------|-----------|---------|-------|
|                                                         | Director      | 10% Owner | Officer | Other |
| SAPPERN DONALD<br>16 WEDGEWOOD RD<br>WESTPORT, CT 06880 | X             |           |         |       |

## Signatures

Leigh A. Hardisty as Power of Attorney 01/04/2006

\_\_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).

Disposed of in the merger of the Issuer and NewAlliance Bancshares, Inc. ("NAL") (the "Merger") pursuant to the election alternatives (1) provided in the Agreement and Plan of Merger dated as of April 12, 2005 in exchange for merger consideration of cash (\$35.00 per share) and/or securities (2.518 shares of NAL for each share of the Issuer).

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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