

CORNERSTONE BANCORP INC

Form 4

April 27, 2005

FORM 4**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).

**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

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(Print or Type Responses)

1. Name and Address of Reporting Person *
READER PAUL H

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)
181 CARTER ST
(Street)

3. Date of Earliest Transaction
(Month/Day/Year)
04/25/2005

☐ Director ☐ 10% Owner
☒ Officer (give title below) ☐ Other (specify below)
Senior Vice President

NEW CANAAN, CT 06840

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

(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) (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 Indirect Beneficial Ownership (Instr. 4)		
			Code	V	Amount	(A) or (D)	Price		
Common Stock	04/25/2005	04/25/2005	M		9,075	A	\$ 8.678	17,765.74 ⁽¹⁾	D
Common Stock								1,210	I
Common Stock								885.837 ⁽²⁾	I
Common Stock								10,398.83 ⁽³⁾	I
									Joint with wife
									Custodian for minor
									By trust for which he is trustee

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)	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option - Right to buy	\$ 8.678	04/25/2005	04/25/2005	M	6,050	06/21/1995	06/21/2005	Common Stock	6,050
Employee Stock Option - right to buy	\$ 8.678	04/25/2005	04/25/2005	M	3,025	06/21/1995	06/21/2005	Common Stock	3,025
Employee Stock Option - right to buy	\$ 8.678					07/19/1995	07/19/2005	Common Stock	7,865
Employee Stock Option - right to buy	\$ 8.988					02/21/1996	02/21/2006	Common Stock	1,513
Employee Stock Option - right to buy	\$ 12.397					05/21/1997	05/21/2007	Common Stock	1,513
Employee Stock Option -	\$ 16.012					12/31/1997	12/31/2007	Common Stock	14,520

right to
buy

Employee
Stock

Option - \$ 8.678

right to
buy

07/19/1995 07/19/2005 Common Stock 23,595

Employee
Stock

Option - \$ 14.545

right to
buy

01/02/2002 01/02/2012 Common Stock 1,100

Employee
Stock

Option - \$ 20.3

right to
buy

01/02/2004 01/02/2014 Common Stock 2,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
READER PAUL H 181 CARTER ST NEW CANAAN, CT 06840	X		Senior Vice President	

Signatures

Leigh A. Hardisty as power of attorney 04/27/2005

__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 56.697 shares of Cornerstone Bancorp, Inc. common stock as a result of participation in the company's plan for the reinvestment of dividends.
- (2) The reporting person received 5.778 shares of Cornerstone Bancorp, Inc. common stock as a result of participation in the company's plan for the reinvestment of dividends.
- (3) The reporting person received 67.841 shares of Cornerstone Bancorp, Inc. common stock as a result of participation in the company's plan for the reinvestment of dividends.

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