

CORNERSTONE BANCORP INC
 Form 4/A
 February 10, 2005

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 *
WAXBERG JOSEPH D

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)

3. Date of Earliest Transaction (Month/Day/Year)
09/30/2004

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

81 SKYVIEW LN

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)
10/20/2004

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

NEW CANAAN, CT 06840

(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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | | (A) or (D) | Price | | |
| Common Stock | 09/30/2004 | 09/30/2004 | A | 275 ⁽¹⁾ | \$ 29.05 | 6,056.11 ⁽²⁾ | D |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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| 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 Underlying Securities (Instr. 3 and 4) | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|----------------------------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| Director Stock Option - right to buy | \$ 12.4 | | | | | 05/21/1997 | 05/21/2007 | Common Stock | 303 |
| Director Stock Option - right to buy | \$ 17.25 | | | | | 05/20/1998 | 05/20/2008 | Common Stock | 303 |
| Director Stock Option - right to buy | \$ 13.64 | | | | | 05/19/1999 | 05/19/2009 | Common Stock | 275 |
| Director Stock Option - right to buy | \$ 10.91 | | | | | 05/17/2000 | 05/17/2010 | Common Stock | 275 |
| Director Stock Option - right to buy | \$ 12.82 | | | | | 05/16/2001 | 05/16/2011 | Common Stock | 275 |
| Director Stock Option - right to buy | \$ 17.82 | | | | | 05/15/2002 | 05/15/2012 | Common Stock | 275 |
| Director Stock Option - | \$ 18 | | | | | 05/21/2003 | 05/21/2013 | Common Stock | 250 |

right to
buy

Director
Stock

Option - \$ 25.46
right to
buy

05/26/2004 05/26/2014 Common
Stock 250

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| WAXBERG JOSEPH D 81 SKYVIEW LN NEW CANAAN, CT 06840 | | X | | |

Signatures

Leigh A. Hardisty as Power of
Attorney 02/10/2005

__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 the restricted stock grant which vests pursuant to the vesting schedule found in the 2001 Restricted Stock Plan.
- (2) The reporting person received 77.471 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 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.