

CORNERSTONE BANCORP INC
 Form 5
 February 11, 2005

FORM 5

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

OMB APPROVAL

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 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

1. Name and Address of Reporting Person *
 LEVINE STANLEY

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

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

57 HEMLOCK DR

(Street)

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

6. Individual or Joint/Group Reporting

(check applicable line)

STAMFORD, CT 06902

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) | (A) or (D) | Price | 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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|------------|-------|--|--|-----------------------------------|
| Common Stock | Â | Â | Â | Â | Â | Â | 525 | D | Â |
| Common Stock | Â | Â | Â | Â | Â | Â | 4,497 | I | Joint with wife |

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

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SEC 2270 (9-02)

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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. Amount or Number of Shares | |
|--|--|--------------------------------------|--|--------------------------------|---|--|------------------|---|-------------------------------|----------------------------|
| | | | | | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| Director Stock Option - right to buy | \$ 8.99 | Â | Â | Â | Â | Â | 02/21/1996 | 02/21/2006 | Common Stock | 3,025 |
| Director Stock Option - right to buy | \$ 12.4 | Â | Â | Â | Â | Â | 05/21/1997 | 05/21/2007 | Common Stock | 303 |
| Director Stock Option - right to buy | \$ 17.25 | Â | Â | Â | Â | Â | 05/20/1998 | 05/20/2008 | Common Stock | 303 |
| Director Stock Option - right to buy | \$ 13.64 | Â | Â | Â | Â | Â | 05/19/1999 | 05/19/2009 | Common Stock | 275 |
| Director Stock Option - right to buy | \$ 10.91 | Â | Â | Â | Â | Â | 05/17/2000 | 05/17/2010 | Common Stock | 275 |
| Director Stock Option - right to buy | \$ 12.82 | Â | Â | Â | Â | Â | 05/16/2001 | 05/16/2011 | Common Stock | 275 |
| | \$ 17.82 | Â | Â | Â | Â | Â | 05/15/2002 | 05/15/2012 | | 275 |

| | | | | | | | | | | | |
|--|----------|---|---|---|---|---|------------|------------|--|-----------------|-----|
| Director Stock Option - right to buy | | | | | | | | | | Common Stock | |
| Director Stock Option - right to buy | \$ 18 | ^ | ^ | ^ | ^ | ^ | 05/21/2003 | 05/21/2013 | | Common Stock | 250 |
| Director Stock Option - right to buy | \$ 25.46 | ^ | ^ | ^ | ^ | ^ | 05/26/2004 | 05/26/2014 | | Common Stock | 250 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| LEVINE STANLEY 57 HEMLOCK DR STAMFORD, CT 06902 | ^ X | ^ | ^ | ^ |

Signatures

Leigh A. Hardisty as Power or 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).

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