

CORNERSTONE BANCORP INC  
 Form 4/A  
 May 27, 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 \*  
**FORGOTSON MERRILL J**

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)  
**7 BAYBERRY LANE**  
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)  
**01/05/2005**

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
**Chairman and President**

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

4. If Amendment, Date Original Filed(Month/Day/Year)  
**01/07/2005**

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 Indirect Beneficial Ownership (Instr. 4)
Common Stock	01/06/2005	01/05/2005	W	(A) or (D) V Amount Price 3,025 \$ (1) 12.397	4,967.51 (2)	I	By wife
Common Stock	01/06/2005	01/05/2005	W	(A) or (D) V Amount Price 6,050 \$ (1) 16.012	11,017.51 (2)	I	By wife
Common Stock					1,251.987 (3)	I	By wife as custodian for child
Common Stock					60	I	By child
Common Stock					7,700	D	

Common Stock	10,330.99	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.

**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.**

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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 Underlying Se (Instr. 3 and 4)
				Code V (A) (D)		Date Exercisable      Expiration Date	Title
Employee stock option - right to buy	\$ 13.636					05/29/2001      05/29/2011	Common Stock
Employee stock option - right to buy	\$ 14.545					01/02/2002      01/02/2012	Common Stock
Employee stock option - right to buy	\$ 20.3					01/02/2004      01/02/2014	Common Stock
Employee stock option - right to buy	\$ 12.397	01/06/2005	01/05/2005	W	3,025 <u>(1)</u>	05/21/1997      05/21/2007	Common Stock
Non-employee stock option - right to buy	\$ 16.012	01/06/2005	01/05/2005	W	6,050 <u>(1)</u>	12/31/1997      12/31/2007	Common Stock
Non-employee stock option - right to buy	\$ 12.397	01/06/2005	01/05/2005	M	3,025 <u>(1)</u>	05/21/1997      05/21/2007	Common Stock
Non-employee stock option - right to buy	\$ 16.012	01/06/2005	01/05/2005	M	6,050 <u>(1)</u>	12/31/1997      12/31/2007	Common Stock

