

FORGOTSON MERRILL J
Form 4
January 07, 2005

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

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)
President & CEO

WESTPORT, CT 06880

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)
Common Stock	01/06/2005	01/05/2005	W	(A) 3,025 (1)	\$ 12.397	I	By wife
Common Stock	01/06/2005	01/05/2005	W	(A) 6,050 (1)	\$ 16.012	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	

Edgar Filing: FORGOTSON MERRILL J - Form 4

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)

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)	Amount or Number of Shares
				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	22,000
Employee Stock Option - right to buy	\$ 14.545					01/02/2002	01/02/2012	Common Stock	2,200
Employee Stock Option - right to buy	\$ 20.3					01/02/2004	01/02/2014	Common Stock	2,000
Non 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	3,025 <u>(1)</u>
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	6,050 <u>(1)</u>
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	3,025 <u>(1)</u>

