

MILLER RONALD C
Form 4
December 29, 2005

FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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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 *
MILLER RONALD C

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)
40 DAVENPORT FARM LN. E.

(Street)

3. Date of Earliest Transaction (Month/Day/Year)
12/27/2005

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

STAMFORD, CT 06903

(City) (State) (Zip)

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

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) Code V Amount (D) Price			
Common stock					3,117 ⁽¹⁾ ⁽²⁾	D	
Common Stock					3,509.071 ⁽³⁾	I	By wife's IRA FBO himself.
Common Stock					19,542.441 ⁽⁴⁾	I	By IRA FBO himself
Common Stock					10,020.9	I	Joint with wife

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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)	8.
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Director Stock option (right to buy)	\$ 8.99	12/27/2005	12/27/2005	D	3,025 <u>(5)</u>	02/21/1997	02/21/2007	Common stock	3,025
Director Stock Option (right to buy)	\$ 12.4	12/27/2005	12/27/2005	D	303 <u>(5)</u>	05/21/1997	05/21/2007	Common Stock	303
Director stock option (right to buy)	\$ 17.25	12/27/2005	12/27/2005	D	303 <u>(5)</u>	05/20/1998	05/20/2008	Common Stock	303
Director stock option (right to buy)	\$ 13.64	12/27/2005	12/27/2005	D	275 <u>(5)</u>	05/19/1999	05/19/2009	Common Stock	275
Director Stock option (right to buy)	\$ 10.91	12/27/2005	12/27/2005	D	275 <u>(5)</u>	05/17/2000	05/17/2010	common stock	275
Director stock	\$ 12.82	12/27/2005	12/27/2005	D	275 <u>(5)</u>	05/16/2001	05/16/2011	Common Stock	275

option
(right to
buy)

Director

stock

option \$ 17.82 12/27/2005 12/27/2005 D

275
(5)

05/15/2002 05/15/2012

Common
Stock

275

Director

stock

option \$ 18 12/27/2005 12/27/2005 D

250
(5)

05/21/2003 05/21/2013

Common
Stock

250

Director

stock

option \$ 25.46 12/27/2005 12/27/2005 D

250
(5)

05/26/2004 05/26/2014

Common
Stock

250

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

MILLER RONALD C
40 DAVENPORT FARM LN. E. X
STAMFORD, CT 06903

Signatures

Leigh A, Hardisty as power of
attorney

12/29/2005

__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 20.341 shares of common stock as a result of participation in the Bancorp's plan for the reinvestment of dividends.
- (2) Approximately 0.844 fractional shares of common stock were converted to cash as a result of the termination of the Cornerstone Bancorp, Inc. dividend reinvestment plan in May 2005.
- (3) The reporting person received 22.932 shares of common stock as a result of participation in the Cornerstone Bancorp, Inc. plan for the reinvestment of dividends.
- (4) The reporting person received 127.711 shares of common stock as a result of participation in the Cornerstone Bancorp plan for the reinvestment of dividends.

- (5) In accordance with the provisions of the Issuer's 1996 Stock Plan, in anticipation of the Issuer's merger with New Alliance Bancshares, Inc. on January 2, 2006, the Compensation Committee of the Board of Directors of the Issuer on December 27, 2005, approved the purchase of all outstanding options by the Issuer at a price per share equal to the difference between the option exercise price and \$36.69, the price of the Issuer's common stock at the close of business on December 23, 2005, the prior business day.

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