

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

(City) (State) (Zip)

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 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.

**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 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		
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

