

CORNERSTONE BANCORP INC
 Form 4
 April 27, 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 *
 READER PAUL H

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)
 181 CARTER ST
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 04/25/2005

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

NEW CANAAN, CT 06840

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 Ownership (Instr. 4)
			Code	V Amount (A) or (D) Price			
Common Stock	04/25/2005	04/25/2005	M	9,075 A \$ 8.678	17,765.74 ⁽¹⁾	D	
Common Stock					1,210	I	Joint with wife
Common Stock					885.837 ⁽²⁾	I	Custodian for minor
Common Stock					10,398.83 ⁽³⁾	I	By trust for which he is trustee

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

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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 (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)	
					V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option - Right to buy	\$ 8.678	04/25/2005	04/25/2005	M		6,050		06/21/1995	06/21/2005	Common Stock	6,050
Employee Stock Option - right to buy	\$ 8.678	04/25/2005	04/25/2005	M		3,025		06/21/1995	06/21/2005	Common Stock	3,025
Employee Stock Option - right to buy	\$ 8.678							07/19/1995	07/19/2005	Common Stock	7,865
Employee Stock Option - right to buy	\$ 8.988							02/21/1996	02/21/2006	Common Stock	1,513
Employee Stock Option - right to buy	\$ 12.397							05/21/1997	05/21/2007	Common Stock	1,513
Employee Stock Option -	\$ 16.012							12/31/1997	12/31/2007	Common Stock	14,520

