

MAIDA JOSEPH A
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 *
MAIDA JOSEPH A

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

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

83 DON BOB RD

(Street)

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

STAMFORD, CT 06903

(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)
				(A) or (D) Code V Amount (D) Price			
Common Stock					110	I	By IRA FBO himself
Common Stock					6,340 ⁽¹⁾ ⁽²⁾	D	
Common Stock					179 ⁽³⁾ ⁽⁴⁾	I	By self as custodian for minor
Common Stock					358 ⁽⁵⁾ ⁽⁶⁾	I	By self as custodian for minor

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Common Stock	399 <u>(7)</u> <u>(8)</u>	I	By self as custodian for minor
Common Stock	839 <u>(7)</u> <u>(8)</u>	I	By self as custodian for minor
Common Stock	1,335 <u>(9)</u> <u>(10)</u>	I	By self as custodian for minor

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

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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 (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	
				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>(11)</u>	02/21/1996 02/21/2006	Common Stock	3,025	
Director Stock Option (right to buy)	\$ 12.4	12/27/2005	12/27/2005	D	303 <u>(11)</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>(11)</u>	05/20/1998 05/20/2008	Common Stock	303	
	\$ 13.64	12/27/2005	12/27/2005	D	275	05/19/1999 05/19/2009		275	

Director stock option (right to buy)									Common Stock	
Director Stock Option (right to buy)	\$ 10.91	12/27/2005	12/27/2005	D	<u>275</u> (11)	05/17/2000	05/17/2010	Common stock	275	\$
Director Stock Option (right to buy)	\$ 12.82	12/27/2005	12/27/2005	D	<u>275</u> (11)	05/16/2001	05/16/2011	Common stock	275	\$
Director Stock Option (right to buy)	\$ 17.82	12/27/2005	12/27/2005	D	<u>275</u> (11)	05/15/2002	05/15/2012	Common Stock	275	\$
Director stock option (right to buy)	\$ 18	12/27/2005	12/27/2005	D	<u>250</u> (11)	05/21/2003	05/21/2013	Common Stock	250	\$
Director stock option (right to buy)	\$ 25.46	12/27/2005	12/27/2005	D	<u>250</u> (11)	05/26/2004	05/26/2014	Common Stock	250	\$

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MAIDA JOSEPH A 83 DON BOB RD STAMFORD, CT 06903	X			

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) In 2005, 41.366 shares of common stock were issued as a result of participation in the Cornerstone Bancorp, Inc. plan for the reinvestment of dividends.
- (2) Approximately 0.739 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) In 2005, 1.168 shares of common stock were issued as a result of participation in the Cornerstone Bancorp, Inc. plan for the reinvestment of dividends.
- (4) Approximately 0.059 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.
- (5) In 2005, 2.336 shares of common stock were issued as a result of participation in the Cornerswtone Bancorp, Inc. plan for the reinvestment of dividends.
- (6) Approximately 0.111 fractional shares of common stock were converted to cash as a result of the termination of the Cornerswtone Bancorp, Inc. dividend reinvestment plan in May 2005.
- (7) In 2005, 2.607 shares of common stock were issued as result of participation in the Cornerstone Bancorp, Inc. plan for the reinvestment of dividends.
- (8) Approximately 0.565 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.
- (9) In 2005, 7.279 shares of common stock were issued as a result of participation in the Cornerstone Bancorp, Inc. plan for the reinvestment of dividends.
- (10) Approximately 0.801 shares of common stock were converted to cash as a result of termination of the Cornerstone Bancorp, Inc. dividend reinvestment plan in May 2005.
- (11) In accordance with the provisions of the Issuer's 1996 Stock Plan, in anticipation of the Issuer's merger with NewAlliance 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.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.