

HARDISTY LEIGH A
Form 4
June 16, 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 *
HARDISTY LEIGH 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)
80 STAPLES ROAD

(Street)

3. Date of Earliest Transaction
(Month/Day/Year)
06/14/2005

____ Director
 Officer (give title below)
____ 10% Owner
____ Other (specify below)
VP and Secretary

EASTON, CT 06612

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)
				(A) or (D)	Price		
Common Stock	06/14/2005	06/14/2005	M	605	\$ 8.678	1,825 ⁽¹⁾	D

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.

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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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
Employee Stock Option - right to buy	\$ 8.678					06/21/1995 06/21/2005	Common Stock	605
Employee Stock Option - right to buy	\$ 8.678	06/14/2005	06/14/2005	M	605	06/21/1995 06/21/2005	Common Stock	605
Employee Stock Option - right to buy	\$ 8.678					07/19/1995 07/19/2005	Common Stock	6,050
Employee Stock Option - right to buy	\$ 8.988					02/21/1996 02/21/2006	Common Stock	303
Employee Stock Option - right to buy	\$ 12.397					05/21/1997 05/21/2007	Common Stock	303
Employee Stock Option - right to buy	\$ 16.012					12/31/1997 12/31/2007	Common Stock	4,840

Reporting Owners

Reporting Owner Name / Address

Relationships

Reporting Owners

