

MAIDA JOSEPH A  
Form 4  
December 29, 2005

**FORM 4**

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

Check this box  
if no longer  
subject to  
Section 16.  
Form 4 or  
Form 5  
obligations  
may continue.  
See Instruction  
1(b).

**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

## OMB APPROVAL

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(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)  
83 DON BOB RD  
(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

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<br>Security<br>(Instr. 3) | 2. Transaction Date<br>(Month/Day/Year) | 2A. Deemed<br>Execution Date, if<br>any<br>(Month/Day/Year) | 3. Transaction<br>Code<br>(Instr. 8) | 4. Securities<br>Acquired (A) or<br>Disposed of (D)<br>(Instr. 3, 4 and 5) | 5. Amount of<br>Securities<br>Beneficially<br>Owned<br>Following<br>Reported<br>Transaction(s)<br>(Instr. 3 and 4) | 6. Ownership<br>Form: Direct<br>(D) or<br>Indirect (I)<br>(Instr. 4) | 7. Nature of<br>Indirect<br>Beneficial<br>Ownership<br>(Instr. 4) |
|---------------------------------------|-----------------------------------------|-------------------------------------------------------------|--------------------------------------|----------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|-------------------------------------------------------------------|
|                                       |                                         |                                                             | Code                                 | V                                                                          | Amount                                                                                                             | (A)<br>or<br>(D)                                                     | Price                                                             |
| Common<br>Stock                       |                                         |                                                             |                                      |                                                                            | 110                                                                                                                | I                                                                    | By IRA<br>FBO<br>himself                                          |
| Common<br>Stock                       |                                         |                                                             |                                      |                                                                            | 6,340 <sup>(1)</sup> <sup>(2)</sup>                                                                                | D                                                                    |                                                                   |
| Common<br>Stock                       |                                         |                                                             |                                      |                                                                            | 179 <sup>(3)</sup> <sup>(4)</sup>                                                                                  | I                                                                    | By self as<br>custodian<br>for minor                              |
| Common<br>Stock                       |                                         |                                                             |                                      |                                                                            | 358 <sup>(5)</sup> <sup>(6)</sup>                                                                                  | I                                                                    | By self as<br>custodian<br>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.

**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 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 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 |
|--------------------------------------------|--------------------------------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-----------------------------------------------------------------------------------------|----------------------------------------------------------|-----------------|---------------------------------------------------------------|-------|-------------------------------|
|                                            |                                                        |                                      |                                                    | Code                           | V (A) (D)                                                                               | Date Exercisable                                         | Expiration Date | Title                                                         |       |                               |
| 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

275  
(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

275  
(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

275  
(11)

05/15/2002

05/15/2012

Common  
Stock

275

Director  
stock  
option  
(right to  
buy)

\$ 18

12/27/2005

12/27/2005

D

250  
(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

250  
(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<br>83 DON BOB RD<br>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.

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