Annual Report of Holding Companies—FR Y-6

Report at the close of business as of the end of fiscal year

This Report is required by law: Section 5(c)(1)(A) of the Bank Holding Company Act (12 U.S.C. § 1844 (c)(1)(A)); Section 6(a) of the International Banking Act (12 U.S.C. § 3106(a)); Sections 11(a)(1), 25 and 25A of the Federal Reserve Act (12 U.S.C. §§ 248(a)(1), 602, and 611a); Section 211.13(c) of Regulation K (12 C.F.R. § 211.13(c)); and Section 225.5(b) of Regulation Y (12 C.F.R. § 225.5(b)) and section 10(c)(2)(H) of the Home Owners’ Loan Act. Return to the appropriate Federal Reserve Bank the original and the number of copies specified.

NOTE: The Annual Report of Holding Companies must be signed by one director of the top-tier holding company. This individual should also be a senior official of the top-tier holding company. In the event that the top-tier holding company does not have an individual who is a senior official and is also a director, the chairman of the board must sign the report.

Jennifer M. Champagne
Title of the Holding Company Director and Official
CFO

The Reporter also certifies that it has the authority to provide this report date has been prepared in conformance with the instructions issued by the Federal Reserve System and are true and correct to the best of my knowledge and belief.

With respect to information regarding individuals contained in this report, the Reporter certifies that it has the authority to provide this information to the Federal Reserve. The Reporter also certifies that it has the authority, on behalf of each individual, to consent or object to public release of information regarding that individual. The Federal Reserve may assume, in the absence of a request for confidential treatment submitted in accordance with the Board’s “Rules Regarding Availability of Information,” 12 C.F.R. Part 261, that the Reporter and individual consent to public release of all the report concerning that individual.

Jennifer M. Champagne
Signature of Holding Company Director and Official
3/13/15

Date of Signature

For holding companies not registered with the SEC—indicate status of Annual Report to Shareholders:
☑ is included with the FR Y-6 report
☐ will be sent under separate cover
☐ is not prepared

For Federal Reserve Bank Use Only

RSSD ID 2834160
C.I. 

Date of Report (top-tier holding company’s fiscal year-end):
12/31/2014

Report’s Legal Entity Identifier (LEI) (20-character LEI Code)

Legal Title of Holding Company
Cornerstone Bancorp

Mailing Address of the Holding Company
1070 East Main Street
Easley, SC 29640

City State Zip Code

SIC Code

Physical Location (if different from mailing address)

Person to whom questions about this report should be directed:
Jennifer M. Champagne, CFO

Name Title
864-306-7009
Area Code / Phone Number / Extension
864-306-1473
Area Code / Fax Number

Email Address
jchampagne@cornerstoneatbank.com

Address (URL) for the Holding Company’s web page

Does the reporter request confidential treatment for any portion of this submission?
☐ Yes Please identify the report items to which this request applies:
☐ In accordance with the instructions on pages GEN-2 and 3, a letter justifying the request is being provided.
☐ The information for which confidential treatment is sought is being submitted separately labeled "Confidential."

☐ No

Public reporting burden for this information collection is estimated to vary from 1.3 to 101 hours per response, with an average of 5.25 hours per response, including time to gather and maintain data in the required form and to review instructions and complete the information collection. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to: Secretary, Board of Governors of the Federal Reserve System, 20th and C Streets, NW, Washington, DC 20551, and to the Office of Management and Budget, Paperwork Reduction Project (7100-0297), Washington, DC 20503.

10/2014
Form FR Y-6

Cornerstone Bancorp
Easley, South Carolina
Fiscal Year Ending December 31, 2014

Report item

1: Cornerstone Bancorp prepares an annual report for its securities holders and is not registered with the Securities and Exchange Commission. As specified by the Federal Reserve Bank of Richmond, 2 copies are enclosed.

2a: Organizational Chart

2b: Submitted early via email on 2-5-15.

3: (1)(a)  (1)(b)  (1)(c)

<table>
<thead>
<tr>
<th>Name</th>
<th>Country of Citizenship or Incorporation</th>
<th>Number &amp; Percentage of Each Class of Voting Securities</th>
</tr>
</thead>
<tbody>
<tr>
<td>George I. Wike, Jr.</td>
<td>USA</td>
<td>213,489-9.34% Common Stock (includes 7,461-vested options of Common Stock)</td>
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<tr>
<td>Tigerville, South Carolina</td>
<td></td>
<td></td>
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<tr>
<td>Jan Childress</td>
<td>USA</td>
<td>214,215-9.30% Common Stock</td>
</tr>
<tr>
<td>Easley, South Carolina</td>
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<tr>
<td>J. Rodger Anthony</td>
<td>USA</td>
<td>121,631-5.32% Common Stock (includes 14,925-vested Options of Common Stock)</td>
</tr>
<tr>
<td>Liberty, South Carolina</td>
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</tr>
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3: (2) None
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<tr>
<th>(1)</th>
<th>(2)</th>
<th>(3(a))</th>
<th>(3(b))</th>
<th>(3)(c)</th>
<th>(4(a))</th>
<th>(4(b))</th>
<th>(4)(c)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Names &amp; Address</td>
<td>Principal Occupation if other than with Bank Holding Company</td>
<td>Title &amp; Position with Bank or Subsidiary companies</td>
<td>Title &amp; Position with Subsidiaries (include names of subsidiaries)</td>
<td>Title &amp; Position with Other Businesses (include names)</td>
<td>% of Voting Shares in Bank Holding Company</td>
<td>% of Voting Shares in Subsidiaries (include names)</td>
<td>List names of other companies</td>
</tr>
<tr>
<td>J. Rodger Anthony</td>
<td>None</td>
<td>Director, President &amp; CEO</td>
<td>Director, Chairman &amp; CEO Cornerstone Nat’l</td>
<td>N/A</td>
<td>6.32%</td>
<td>None</td>
<td>N/A</td>
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<tr>
<td>Greenville, SC</td>
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<td>Liberty, SC</td>
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</tr>
<tr>
<td>Jennifer M. Champagne</td>
<td>None</td>
<td>Director &amp; Chief Financial Officer</td>
<td>Director &amp; Chief Financial Officer Cornerstone Nat’l</td>
<td>N/A</td>
<td>0.70%</td>
<td>None</td>
<td>N/A</td>
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<tr>
<td>Greenville, SC</td>
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</tr>
<tr>
<td>J. Bruce Gaston</td>
<td>Certified Public Accountant</td>
<td>Director &amp; Chairman</td>
<td>Director Cornerstone Nat’l</td>
<td>Investor</td>
<td>2.77%</td>
<td>None</td>
<td>D&amp;B Rentals (50%) SDB Partnership (33%) Latham Road LLC (33%)</td>
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<tr>
<td>Easley, SC</td>
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<tr>
<td>S. Ervin Hendricks, Jr.</td>
<td>Nu-Life Environmental, Inc.</td>
<td>Director</td>
<td>Director Cornerstone Nat’l</td>
<td>President &amp; Co-owner Nu-Life Environmental, Inc.; President &amp; Owner Advance Machine Works</td>
<td>2.73%</td>
<td>None</td>
<td>Nu-Life Environ. (50%) Rent-A-Can Inc. (100%) Advance Machine Works (85%) SEPP, LLC (100%) SEHP_123, LLC (100%) SEHP_2266, LLC (100%)</td>
</tr>
<tr>
<td>Easley, SC</td>
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<tr>
<td>Joe E. Hooper</td>
<td>Pride Mechanical, Inc.</td>
<td>Director</td>
<td>Director Cornerstone Nat’l</td>
<td>President-Pride Mechanical, Inc.</td>
<td>3.32%</td>
<td>None</td>
<td>Pride Mechanical (67%) Joe R/E Rentals (50%)</td>
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<td>Easley, SC</td>
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<tr>
<td>Susan Jolly</td>
<td>None</td>
<td>Director &amp; Senior Vice President Cornerstone Nat’l</td>
<td>Director Cornerstone Nat’l</td>
<td>Retired Partner &amp; President Smith, Jordan, Lavery, &amp; Lee, P.A.</td>
<td>0.21%</td>
<td>None</td>
<td>CEP, LLC (33%) Village Concepts, LLC (33%)</td>
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<tr>
<td>Easley, SC</td>
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<tr>
<td>Ronnie Smith</td>
<td>Attorney</td>
<td>Director</td>
<td>Director Cornerstone Nat’l</td>
<td></td>
<td>1.15%</td>
<td>None</td>
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<td>Easley, SC</td>
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<tr>
<td>John M. Warren Jr.</td>
<td>Physician</td>
<td>Director</td>
<td>Director Cornerstone Nat’l</td>
<td>Physician at Advanced GYN</td>
<td>1.74%</td>
<td>None</td>
<td>R&amp;W Ventures (50%) CRW Partnership (33.30%) JM&amp;JA Ventures LLC (50%) Curly Hunt Clubs LLC (100%)</td>
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<tr>
<td>Seneca, SC</td>
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<tr>
<td>George I. Wike, Jr.</td>
<td>Investor</td>
<td>Director</td>
<td>Director Cornerstone Nat’l</td>
<td>Investor</td>
<td>9.34%</td>
<td>None</td>
<td>See attachment</td>
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<tr>
<td>Tigerville, SC</td>
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<tr>
<td>Sam Cox</td>
<td>Videomatic Amusements, Inc.</td>
<td>Director</td>
<td>Director Cornerstone Nat’l</td>
<td>President-Videomatic Amusements, Inc.</td>
<td>0.06%</td>
<td>None</td>
<td>See attachment</td>
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<tr>
<td>Easley, SC</td>
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<tr>
<td>Name</td>
<td>Business Name</td>
<td>Percent Ownership</td>
<td>Position/Title</td>
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<tr>
<td>George Wike</td>
<td>T&amp;G Properties</td>
<td>50%</td>
<td>President</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Pointe Properties</td>
<td>50%</td>
<td>President</td>
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<tr>
<td></td>
<td>Gold Smith/VFW</td>
<td>50%</td>
<td>President</td>
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<tr>
<td></td>
<td>VFW Partnership</td>
<td>50%</td>
<td>President</td>
<td></td>
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<td></td>
<td>WH Real Estate Ventures, LLC</td>
<td>50%</td>
<td>President</td>
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<tr>
<td></td>
<td>Wike, Yeager LLC</td>
<td>50%</td>
<td>President</td>
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<td></td>
<td>Goodwin Bridge LLC</td>
<td>25%</td>
<td>President</td>
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<td>Dogwood RV LLC</td>
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<td></td>
<td>GJ1f:lrd Llc</td>
<td>60%</td>
<td>Vice Pres.</td>
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<tr>
<td></td>
<td>[Signature]</td>
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<tr>
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<td>Dogwood RV LLC (Georgia)</td>
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<td>1/13/15</td>
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</tbody>
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Date
<table>
<thead>
<tr>
<th>Name</th>
<th>Business Name</th>
<th>Percent Ownership</th>
<th>Position/Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sam Cox</td>
<td>P&amp;C Trees Unlimited</td>
<td>50%</td>
<td>Owner</td>
</tr>
<tr>
<td></td>
<td>JSCI Cox Investments LLC</td>
<td>100%</td>
<td>President &amp; Owner</td>
</tr>
<tr>
<td></td>
<td>Videomatic Amusement Inc</td>
<td>100%</td>
<td>President &amp; Owner</td>
</tr>
<tr>
<td></td>
<td>Palmetto Suds LLC</td>
<td>100%</td>
<td>Owner</td>
</tr>
</tbody>
</table>

Signature: Sam Cox

Date: 1/13/15
## Reconciliation and Verification Steps

1. In the Data Action column of each branch row, enter one or more of the actions specified below.
2. If required, enter the date in the Effective Date column.

### Actions

- **OK**: If the branch information is correct, enter 'OK' in the Data Action column.
- **Change**: If the branch information is incorrect or incomplete, revise the data, enter 'Change' in the Data Action column and the date when this information first became valid in the Effective Date column.
- **Close**: If a branch listed was sold or closed, enter 'Close' in the Data Action column and the sale or closure date in the Effective Date column.
- **Add**: If a reportable branch is missing, insert a row, add the branch data, and enter 'Add' in the Data Action column and the opening or acquisition date in the Effective Date column.

### Submission Procedure

When you are finished, send a saved copy to your FRB contact. See the detailed instructions on this site for more information.

If you are e-mailing this to your FRB contact, put your institution name, city and state in the subject line of the e-mail.

### Note

To satisfy the FR Y-10 reporting requirements, you must also submit FR Y-10 Domestic Branch Schedules for each branch with a Data Action of Change, Close, Delete, or Add.

The FR Y-10 report may be submitted in a hardcopy format or via the FR Y-10 Online application - https://yl0online.federalreserve.gov.

*FDIC UNINUM, Office Number, and ID_RSSD columns are for reference only. Verification of these values is not required.*

### Table

<table>
<thead>
<tr>
<th>Data Action</th>
<th>Effective Date</th>
<th>Branch Service Type</th>
<th>Branch ID_RSSD</th>
<th>Popular Name</th>
<th>Street Address</th>
<th>City</th>
<th>State</th>
<th>Zip Code</th>
<th>County</th>
<th>Country</th>
<th>FDIC UNINUM</th>
<th>Office Number</th>
<th>Head Office ID_RSSD</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>OK</td>
<td></td>
<td>Full Service (Head Office)</td>
<td>2834179</td>
<td>CORNERSTONE NATIONAL BANK</td>
<td>1670 EAST MAIN STREET</td>
<td>SALLIEY</td>
<td>SC</td>
<td>29640</td>
<td>PICKENS</td>
<td>UNITED STATES</td>
<td>2834179</td>
<td>01 CORNERSTONE NATIONAL BANK</td>
<td>2834179</td>
<td></td>
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<tr>
<td>OK</td>
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<td>Full Service</td>
<td>31362811</td>
<td>BEREA OFFICE BRANCH 45 FARRS BRIDGE ROAD</td>
<td>GREENVILLE</td>
<td>SC</td>
<td>29617</td>
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<td>UNITED STATES</td>
<td>444638</td>
<td>1 CORNERSTONE NATIONAL BANK</td>
<td>2834179</td>
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<tr>
<td>OK</td>
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<td>Full Service</td>
<td>33759141</td>
<td>POWDERVILLE BRANCH</td>
<td>1200 ANDERSON ROAD</td>
<td>PEDMONT</td>
<td>SC</td>
<td>29673</td>
<td>ANDERSON</td>
<td>UNITED STATES</td>
<td>444638</td>
<td>2 CORNERSTONE NATIONAL BANK</td>
<td>2834179</td>
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