

MAR 25

Board of Governors of the Federal Reserve System



FRB RICHMOND
Annual Report of Holding Companies—FR Y-6

COPY

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 8(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.

This report form is to be filed by all top-tier bank holding companies and top-tier savings and loan holding companies organized under U.S. law, and by any foreign banking organization that does not meet the requirements of and is not treated as a qualifying foreign banking organization under Section 211.23 of Regulation K (12 C.F.R. § 211.23). (See page one of the general instructions for more detail of who must file.) The Federal Reserve may not conduct or sponsor, and an organization (or a person) is not required to respond to, an information collection unless it displays a currently valid OMB control number.

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
Name of the Holding Company Director and Official
CFO
Title of the Holding Company Director and Official

attest that the *Annual Report of Holding Companies* (including the supporting attachments) for 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 details in the report concerning that individual.

Jennifer M. Champagne
Signature of Holding Company Director and Official
3-22-16
Date of Signature

Date of Report (top-tier holding company's fiscal year-end):

12/31/2015
Month / Day / Year

N/A
Reporter's Legal Entity Identifier (LEI) (20-Character LEI Code)

Reporter's Name, Street, and Mailing Address
Cornerstone Bancorp
Legal Title of Holding Company

1670 East Main Street
(Mailing Address of the Holding Company) Street / P.O. Box

Easley SC 29640
City State Zip Code

Same
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

j.champagne@cornerstonenatlbank.com
E-mail Address

www.cornerstonenatlbank.com
Address (URL) for the Holding Company's web page

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. _____

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

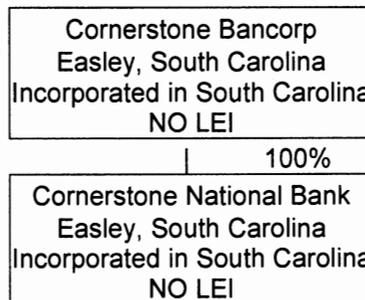
Form FR Y-6

**Cornerstone Bancorp
Easley, South Carolina
Fiscal Year Ending December 31, 2015**

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 2-29-16.

3:	(1)(a)	(1)(b)	(1)(c)
	<u>Name</u>	<u>Country of Citizenship or Incorporation</u>	<u>Number & Percentage of Each Class of Voting Securities</u>
	George I. Wike, Jr. Tigerville, South Carolina	USA	211,729-9.33% Common Stock (includes 5,701-vested options of Common Stock)
	Jan Childress Easley, South Carolina	USA	214,215-9.44% Common Stock
	J. Rodger Anthony Liberty, South Carolina	USA	118,110-5.20% Common Stock (includes 11,404-vested Options of Common Stock)

3: (2) None

Results: A list of branches for your depository institution: CORNERSTONE NATIONAL BANK (ID_RSSD: 2834179).

This depository institution is held by CORNERSTONE BANCORP (2834160) of EASLEY, SC.

The data are as of 12/31/2015. Data reflects information that was received and processed through 01/07/2016.

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.

Delete: If a branch listed was never owned by this depository institution, enter 'Delete' in the **Data Action** 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.

If printing this list, you may need to adjust your page setup in MS Excel. Try using landscape orientation, page scaling, and/or legal sized paper.

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://y10online.federalreserve.gov>.

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

Data Action	Effective Date	Branch Service Type	Branch ID_RSSD*	Popular Name	Street Address	City	State	Zip Code	County	Country	FDIC UNINUM*	Office Number*	Head Office	Head	Comments
OK		Full Service (Head Office)	2834179	CORNERSTONE NATIONAL BANK	1670 EAST MAIN STREET	EASLEY	SC	29640	PICKENS	UNITED STATES	75652	0	CORNERSTONE NATIONAL BANK	2834179	
OK		Full Service	3136281	BEREA OFFICE BRANCH	45 FARRS BRIDGE ROAD	GREENVILLE	SC	29617	GREENVILLE	UNITED STATES	419227	1	CORNERSTONE NATIONAL BANK	2834179	
OK		Full Service	3375914	POWDERSVILLE BRANCH	11000 ANDERSON ROAD	PIEDMONT	SC	29673	ANDERSON	UNITED STATES	444638	2	CORNERSTONE NATIONAL BANK	2834179	

FORM FR Y-6
December 31, 2015

Report Item 4: Directors and Officers

(1) Names & Address (City, State, Country)	(2) Principal Occupation if other than with Bank Holding Company	(3)(a) Title & Position with Bank Holding Company	(3)(b) Title & Position with Subsidiaries (include names of subsidiaries)	(3)(c) Title & Position with Other Businesses (include names)	(4)(a) % of Voting Shares in Bank Holding Company	(4)(b) % of Voting Shares in Subsidiaries (include names)	(4)(c) List names of other companies
J. Rodger Anthony Liberty, SC	None	Director, President, & CEO	Director, Chairman, & CEO Cornerstone Nat'l	N/A	5.20%	None	N/A
Jennifer M. Champagne Greenville, SC	None	Director & Chief Financial Officer	Director & Chief Financial Officer Cornerstone Nat'l	N/A	0.63%	None	N/A
J. Bruce Gaston Easley, SC	Certified Public Accountant	Director & Chairman	Director Cornerstone Nat'l	Investor	2.71%	None	D&K Rentals(50%) SDB Partnership(33%) Lathem Road LLC (33%)
S. Ervin Hendricks, Jr. Easley, SC	Nu-Life Environmental, Inc.	Director	Director Cornerstone Nat'l	President & Co-owner- Nu-Life Environmental, Inc.; President & Owner, Advance Machine Works	2.68%	None	Nu-Life Environ.(50%) Rent-A-Can Inc.(100%) Advance Machine Wrks(85%) SEPP, LLC (100%) SEHP_123, LLC (100%) SEHP_2266, LLC (100%)
Joe E. Hooper Easley, SC	Pride Mechanical, Inc.	Director	Director Cornerstone Nat'l	President-Pride Mechanical, Inc.	3.26%	None	Pride Mechanical(67%) Joe R/E Rentals(50%)
Susan Jolly Easley, SC	None	Director & Secretary	Director & Senior Vice President Cornerstone Nat'l	N/A	1.08%	None	N/A
Ronnie Smith Easley, SC	Attorney	Director	Director Cornerstone Nat'l	Retired Partner & President- Smith, Jordan, Lavery, & Lee, P.A.	0.21%	None	CEP, LLC (33%) Village Concepts, LLC (33%)
John M. Warren Jr. Seneca, SC	Physician	Director	Director Cornerstone Nat'l	Physician at Advanced GYN	1.67%	None	R&W Ventures (50%) CRW Partnership (33.30%) JM&JA Ventures LLC (50%) Curly Hunt Clubs LLC (100%)
George I. Wike, Jr. Tigerville, SC	Investor	Director	Director Cornerstone Nat'l	Investor	9.33%	None	See attachment
Sam Cox Easley, SC	Videomatic Amusements, Inc.	Director	Director Cornerstone Nat'l	President-Videomatic Amusements, Inc.	0.06%	None	See attachment

<u>Name</u>	<u>Business Name</u>	<u>Percent Ownership</u>	<u>Position/ Title</u>
George Wike	T&G Properties	50%	President
	Pointe Properties	50%	President
	Gold Smith/VFW	50%	President
	VFW Partnership	50%	President
	WH Real Estate Ventures, LLC	50%	President
	Wike, Yeager LLC	50%	President
	Goodwin Bridge LLC	25%	
	Dogwood RV LLC	60%	President
	Girard RV LLC(Georgia)	50%	Vice President
Signature	<u>George Wike</u>	Date	<u>1-12-16</u>

<u>Name</u>	<u>Business Name</u>	<u>Percent Ownership</u>	<u>Position/ Title</u>
Sam Cox	P&C Trees Unlimited	50%	Owner
	JSCI Cox Investments LLC	100%	President & Owner
	Videomatic Amusement Inc	100%	President & Owner
	Palmetto Suds LLC	100%	Owner

Signature

Sam Cox

Date

1-12-16