

**FEDERAL DEPOSIT INSURANCE CORPORATION
WASHINGTON, DC. 20429**

OMB APPROVAL

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FORM F-8

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP
FDIC FORM 6112/02 (11-00)
(12 C.F.R. 335.612)**

THE FDIC IS AUTHORIZED TO SOLICIT THE INFORMATION REQUIRED BY THIS FORM PURSUANT TO SECTIONS 12(i), 16(a) and 23(a) OF THE SECURITIES EXCHANGE ACT OF 1934, AND THE RULES AND REGULATIONS THEREUNDER.

SEC RULES REFERENCED IN THIS FORM APPEAR AT 17 CFR §§240.16a-1 THROUGH 16e-1.

DISCLOSURE OF INFORMATION SPECIFIED ON THIS FORM IS MANDATORY, EXCEPT FOR DISCLOSURE OF THE IRS IDENTIFICATION NUMBER OF THE REPORTING PERSON IF SUCH PERSON IS AN ENTITY WHICH IS VOLUNTARY. IF SUCH NUMBERS ARE FURNISHED, THEY WILL ASSIST THE FDIC IN DISTINGUISHING REPORTING PERSONS WITH SIMILAR NAMES AND WILL FACILITATE THE PROMPT PROCESSING OF THE FORM. THE INFORMATION WILL BE USED FOR THE PRIMARY PURPOSE OF DISCLOSING THE TRANSACTIONS AND HOLDINGS OF DIRECTORS, OFFICERS, AND BENEFICIAL OWNERS OF REGISTERED COMPANIES. INFORMATION DISCLOSED WILL BE A MATTER OF PUBLIC RECORD AND AVAILABLE FOR INSPECTION BY MEMBERS OF THE PUBLIC. THE FDIC CAN USE IT IN INVESTIGATIONS OR LITIGATION INVOLVING THE FEDERAL SECURITIES LAWS OR OTHER CIVIL, CRIMINAL, OR REGULATORY STATUTES OR PROVISIONS, AS WELL AS FOR REFERRAL TO OTHER GOVERNMENTAL AUTHORITIES AND SELF-REGULATORY ORGANIZATIONS. FAILURE TO DISCLOSE REQUIRED INFORMATION MAY RESULT IN CIVIL OR CRIMINAL ACTION AGAINST PERSONS INVOLVED FOR VIOLATIONS OF THE FEDERAL SECURITIES LAWS AND RULES.

POTENTIAL PERSONS WHO ARE TO RESPOND TO THE COLLECTION OF THE INFORMATION CONTAINED IN THIS FORM ARE NOT REQUIRED TO RESPOND UNLESS THE FORM DISPLAYS A CURRENT, VALID OMB CONTROL NUMBER.

GENERAL INSTRUCTIONS

1. When Form Must be Filed

(a) This Form must be filed on or before the tenth day after the end of the month in which a change in beneficial ownership has occurred. The term "beneficial owner" is defined in SEC Rule 16a-1(a)(2) and discussed in instruction 4. This Form and any amendment is deemed filed with the FDIC or the Exchange on the date it is received by the FDIC or the Exchange, respectively. See, however, SEC Rule 16a-3(h) regarding delivery to a third-party business that guarantees delivery of the filing no later than the specified due date.

(b) A reporting person no longer subject to Section 16 of the Securities Exchange Act of 1934 ("Exchange Act") must check the exit box appearing on this Form. However, Form F-8 and Form F-8A obligations may continue to be applicable. See SEC Rule 16a-3(f); see also SEC Rule 16a-2(b) (transactions after termination of insider status). Form F-8A transactions to date may be included on this Form and subsequent Form F-8A transactions may be reported on a later Form F-8 or Form F-8A, provided all transactions are reported by the required date.

(c) A separate Form shall be filed to reflect beneficial ownership of securities of each bank.

(d) If a reporting person is not an officer, director, or 10 percent holder, the person should check "other" in item 6 (Relationship of Reporting Person to Issuer) and describe the reason for reporting status in the space provided.

2. Where Form Must be Filed

(a) File three copies of this Form or any amendment, at least one of which is manually signed, with the Registration, Disclosure and Securities Operations Unit, Division of Supervision, Federal Deposit Insurance Corporation, 550 17th Street, N.W., Washington, D.C. 20429. (Note: Acknowledgement of receipt by the FDIC may be obtained by enclosing a self-addressed stamped postcard identifying the Form or amendment filed.)

(b) At the time this Form or any amendment is filed with the FDIC, file one copy with each Exchange on which any class of securities of the bank is registered. If the bank has designated a single Exchange to receive Section 16 filings, the copy shall be filed with that Exchange only.

(c) Any person required to file this Form or an amendment shall, not later than the time the Form or amendment is transmitted for filing with the FDIC, send or deliver a copy to the person designated by the bank to receive the copy or, if no person is so designated, the bank's corporate secretary (or person performing similar functions) in accordance with SEC Rule 16a-3(e).

3. Class of Securities Reported

(a) Persons reporting pursuant to Section 16(a) of the Exchange Act shall report each transaction resulting in a change in beneficial ownership of any class of equity securities of the bank and the beneficial ownership at the end of the month of that class of equity securities, even though one or more of the classes may not be registered pursuant to Section 12 of the Exchange Act.

(b) The title of the security should clearly identify the class, even if the bank has only one class of securities outstanding; for example: "Common Stock," "Class A Common Stock," and "Class B Convertible Preferred Stock," etc.

(c) The amount of securities beneficially owned should state the face amount of debt securities (U.S. Dollars) or the number of equity securities, whichever is appropriate.

4. Transactions and Holdings Required to be Replaced

(a) General Requirements

(i) Report, in accordance with SEC Rule 16a-3(g), all transactions not exempt from Section 16(b) of the Act and all exercises and conversions of derivative securities, regardless of whether exempt from Section 16(b) of the Act, resulting in a change of beneficial ownership in the bank's securities. Every transaction shall be reported even though acquisitions and dispositions during the month are equal. Report total beneficial ownership as of the end of the month for each class of securities in which a transaction was reported.

Note: The amount of securities beneficially owned at the end of the month, specified in Column 5 of Table I and Column 9 of Table II, should reflect those holdings reported or required to be reported by the date of the Form. Transactions and holdings eligible for deferred reporting on Form F-8A need not be reflected in the month end total unless the transactions were reported earlier or are included on this Form.

(ii) Each transaction should be reported on a separate line. Transaction codes specified in Instruction 8 should be used to identify the nature of the transaction resulting in an acquisition or disposition of a security.

Note: Transactions reportable on Form F-8 may, at the option of the reporting person, be reported on a Form F-8 filed before the due date of the Form F-8A (*See instruction 8 for the code for voluntarily reported transactions*).

(b) Beneficial Ownership Reported (Pecuniary Interest)

(i) Although for purposes of determining status as a ten percent holder, a person is deemed to beneficially own securities over which that person exercises voting or investment control (See SEC Rule 16a-1(a)(1)), for reporting transactions and holdings, a person is deemed to be the beneficial owner of securities if that person has the opportunity, directly or indirectly, to profit or share in any profit derived from a transaction in the securities ("pecuniary interest"). See SEC Rule 16a-1(a)(2). See also SEC Rule 16a-8 for the application of the beneficial ownership definition to trust holdings and transactions.

(ii) Both, direct and indirect beneficial ownership of securities shall be reported. Securities beneficially owned directly are those held in the reporting person's name or in the name of a bank, broker, or nominee for the account of the reporting person. In addition, securities held as joint tenants, tenants in common, tenants by the entirety, or as community property are to be reported as held directly. If a person has a pecuniary interest by reason of any contract, understanding, or relationship (including a family relationship or arrangement), in securities held in the name of another person, that person is an indirect beneficial owner of the securities. See SEC Rule 16a-1(a)(2)(ii) for certain indirect beneficial ownerships.

(iii) Report transactions in securities beneficially owned directly on a separate line from those beneficially owned indirectly. Report different forms of indirect ownership on separate lines. The nature of indirect ownership shall be stated as specifically as possible; for example: "By Self as Trustee for X," "By Spouse," "By X Trust," or "By Y Corporation," etc.

(iv) In stating the amount of securities acquired, disposed of, or beneficially owned indirectly through a partnership, corporation, trust or other entity, report the number of securities representing the reporting person's proportionate interest in transactions conducted by that entity or holdings of that entity. Alternatively, at the option of the reporting person, the entire amount of the entity's interest may be reported (See SEC Rule 16a-1(a)(2)(ii)(B) and SEC Rule 16a-1(a)(2)(iii)).

(v) Where more than one beneficial owner of the same equity securities must report transactions on Form F-8, such owners may file Form F-8 individually or jointly. Joint and group filings may be made by any designated beneficial owner. Transactions with respect to securities owned separately by any joint or group filer are permitted to be included in the joint filing. Indicate only the name and address of the designated filer in Item 1 of Form F-8 and attach a listing of the names and IRS or social security numbers (or addresses in lieu thereof) of each other reporting person. Joint and group filings must include all the required information for each beneficial owner, and such filings must be signed by each beneficial owner, or on behalf of such owner by an authorized person. If the space provided for signatures is insufficient, attach a signature page. Submit any attached listing of names or signatures on another Form F-8, copy of Form F-8 or separate page of 8 1/2 by 11-inch white paper, indicate the number of pages comprising the report (Form plus attachments) at the bottom of each report page (e.g., 1 of 2, 2 of 3, 3 of 3), and include the name of the designated filer and information required by Items 2 and 4 of the Form on the attachment.

(c) Non-Derivative and Derivative Securities

(i) Report acquisitions or dispositions and holdings of non-derivative securities in Table I. Report acquisitions or dispositions and holdings of derivative securities (e.g., puts, calls, options, warrants, convertible securities, or other rights or obligations to buy or sell securities) in Table II. Report the exercise or conversion of a derivative security in Table II (as a disposition of the derivative security) and report in Table I the holdings of the underlying security. Report acquisitions or dispositions and holdings of derivative securities that are both equity securities and convertible or exchangeable for other equity securities (e.g., convertible preferred securities) only on Table II.

(ii) The title of the derivative security and the title of the equity security underlying the derivative security should be shown separately in the appropriate columns in Table II. The "puts" and "calls" reported in Table II include, in addition to separate puts and calls, any combination of the two, such as spreads and straddles. In reporting an option in Table II, state whether it represents a right to buy, a right to sell, an obligation to buy, or an obligation to sell the equity securities subject to the option.

(iii) Describe in the appropriate columns in Table II characteristics of derivative securities, including title, exercise or conversion price, date exercisable, expiration date, and the title and amount of securities underlying the derivative security. If the transaction reported is a purchase or sale of a derivative security, the purchase or sale price of that derivative security shall be reported in column 8. If the transaction is the exercise or conversion of a derivative security, leave column 8 blank and report the exercise or conversion price of the derivative security in column 2.

(iv) Securities constituting components of a unit shall be reported separately on the applicable table (e.g., if a unit has a non-derivative security component and a derivative security component, the non-derivative security component shall be reported in Table I and the derivative security component shall be reported in Table II). The relationship between individual securities comprising the unit shall be indicated in the space provided for explanation of responses. When securities are purchased or sold as a unit, state the purchase or sale price per unit and other required information regarding the unit securities.

5. Price of Securities

(a) Prices of securities shall be reported in U.S. dollars on a per share basis, not an aggregate basis, except that the aggregate price of debt shall be stated. Amounts reported shall exclude brokerage commissions and other costs of execution.

(b) If consideration other than cash was paid for the security, describe the consideration, including the value of the consideration, in the space provided for explanation of responses.

6. Additional Information

If the space provided in the line items of this Form or space provided for additional comments is insufficient, attach another Form F-8, copy of Form F-8, or a separate page of 8 1/2 by 11-inch white paper to Form F-8, completed as appropriate to include the additional comments. Each attached page must include information required in Items 1, 2, and 4 of the Form. The number of pages comprising the report -- Form plus attachments -- shall be indicated on the bottom of each report page (e.g., 1 of 3, 2 of 3, 3 of 3). If additional information is not reported in this manner, it will be assumed that no additional information was provided.

7. Signature

(a) If the Form is filed for an individual, it shall be signed by that person or specifically on behalf of the individual by a person authorized to sign for the individual. If signed on behalf of the individual by another person, the authority of such person to sign the Form shall be confirmed to the FDIC in writing in an attachment to the Form, or as soon as practicable in an amendment by the individual for whom the Form is filed, unless such a confirmation still in effect is on file with the FDIC. The confirming statement need only indicate that the reporting person authorizes and designates the named person(s) to file the Form on the reporting person's behalf and state the duration of the authorization.

(b) If the Form is filed for a corporation, partnership, trust or other entity, the capacity in which the individual signed shall be set forth (e.g., John Smith, Secretary, on behalf of X Corporation).

8. Transaction Codes

Use the codes listed below to indicate in Table I, Column 3 and Table II, Column 4 the character of the transaction reported. Use the code that most appropriately describes the transaction. If the transaction is not specifically listed, use transaction Code "J" and describe the nature of the transaction in the space for explanation of responses. If a transaction is voluntarily reported earlier than required, place "V" in the appropriate column to so indicate; otherwise, the column should be left blank. If a transaction involves an equity swap or instrument with similar characteristics use transaction Code "K" in addition to the code(s) that most appropriately describes the transaction (e.g., "S/K" or "P/K").

General Transaction Codes

- P - Open market or private purchase of non-derivative or derivative security
- S - Open market or private sale of non-derivative or derivative security
- V - Transaction voluntarily reported earlier than required

Rule 16b-3 Transaction Codes

- A - Grant, award, or other acquisition pursuant to SEC Rule 16b-3(d)
- D - Disposition to the issuer of bank equity securities pursuant to SEC Rule 16b-3(e)
- F - Payment of exercise price or tax liability by delivering or withholding securities incident to the receipt, exercise or vesting of a security issued in accordance with SEC Rule 16b-3
- I - Discretionary transaction in accordance with SEC Rule 16b-3(f) resulting in acquisition or disposition of issuer securities
- M - Exercise or conversion of derivative security exempted pursuant to SEC Rule 16b-3

Derivative Securities Codes (Except for transactions exempted pursuant to SEC rule 16b-3)

- C - Conversion of derivative security
- E - Expiration of short derivative position
- H - Expiration (or cancellation) of long derivative position with value received
- O - Exercise of out-of-the-money derivative security
- X - Exercise of in-the-money or at-the-money derivative security

Other Section 16(b) Exempt Transaction and Small Acquisition Codes (except for Rule 16b-3 codes above)

G - Bona fide gift

L - Small acquisition under SEC Rule 16a-6

W - Acquisition or disposition by will or laws of descent and distribution

Z - Deposit into or withdrawal from voting trust

Other Transaction Codes

J - Other acquisition or disposition (describe transaction)

K - Transaction in equity swap or instrument with similar characteristics

U - Disposition pursuant to a tender of shares in a change of control transaction

FORM F-8

Federal Deposit Insurance Corporation Washington, D.C. 20429

OMB APPROVAL

Check box if no longer subject to Section 16. Form F-8 or Form F-8A obligations may continue. See instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934
(PLEASE PRINT OR TYPE ALL RESPONSES)

OMB NUMBER: 3064-0030
EXPIRES: 7-31-03
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hours per response ...0.5

1. Name of Reporting Person (Last, First, MI)* Wendy B. Wagner			2. Issuer Name and Ticker or Trading Symbol Cardinal State Bank			6. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer (Give title below) <input type="checkbox"/> Other (Specify below) Chief Operating Officer _____			
Street Address C/O Cardinal State Bank 3710 University Drive			3. IRS Identification Number of Reporting Person, if an Entity (Voluntary)		4. Statement for (Month/Year) May 2004		7. Individual or Joint/Group Filing (Check applicable box) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person		
City Durham	State NC	ZIP Code 27707							

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instrs. 3, 4, and 5)			5. Amount of Securities Beneficially Owned at End of Month (Instrs. 3, and 4.)	6. Ownership Form Direct (D) Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
		Code	V	Amount	(A) or (D)	Price			
Common Stock	5/18/04	J(1)		100 Shares	A	10.25	300 Shares	I	Custodian for Minor Child

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)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instrs. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instrs. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned at End of Month (Instr. 4)	10. Ownership Form of Derivative Securities Beneficially Owned at End of Month (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Incentive Stock Options	\$11.00	-	-	-	-	-	See (2) Below	10/02/11	Common Stock	7,000 Shares	\$11.00	7,000	D	-

Explanation of Responses:
 (1) Purchased in Shareholder Rights Offering.
 (2) Subject to a five year vesting schedule whereby 20% of such options vest on each anniversary of the date of grant (October 1, 2001).

_____ 5/18/04
 **Signature of Reporting Person Date

NOTE: File three copies of this form, one of which must be manually signed. If space provided is insufficient, see Instruction 6 for procedure (12 C.F.R. 335.612). 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 current, valid OMB Control Number. **Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

BURDEN STATEMENT

Public reporting burden for this collection of information is estimated to average 0.5 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Assistant Executive Secretary (Administration), Room F-400, FDIC, Washington, D.C. 20429; and to the Office of Management and Budget Paperwork Reduction Project (3064-0030), Washington, D.C. 20503.