

1ST STATE BANCORP INC
Form SC 13G/A
February 14, 2005

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

SCHEDULE 13G/A

UNDER THE SECURITIES AND EXCHANGE ACT OF 1934
(Amendment No. 3) (1)

1st STATE BANCORP, INC.

(Name of Issuer)

COMMON STOCK

(Title of Class of Securities)

33645S 10 0

(CUSIP Number)

DECEMBER 31, 2004

(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

/ / Rule 13d-1(b)

/X/ Rule 13d-1(c)

/ / Rule 13d-1(d)

(1) The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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/ 1 / NAMES OF REPORTING PERSONS:
 / / JAMES C. MCGILL
 / /
 / / I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY)
 / /

/ 2 / CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP *
 / /
 / / (a) /X/
 / /
 / / (b) / /
 / /

/ /
 / 3 / SEC USE ONLY
 / /

/ /
 / 4 / CITIZENSHIP OR PLACE OF ORGANIZATION
 / / UNITED STATES OF AMERICA
 / /

/	/	/	/	
/		/ 5 /	SOLE VOTING POWER	169,908 (1)
/	NUMBER OF	/ 6 /	SHARED VOTING POWER	117,585 (2)
/	SHARES	/ /		
/	BENEFICIALLY	/ /		
/	OWNED BY	/ 7 /	SOLE DISPOSITIVE POWER	159,449 (3)
/	EACH	/ /		
/	REPORTING	/ /		
/	PERSON	/ 8 /	SHARED DISPOSITIVE POWER	117,585 (2)
/	WITH	/ /		
/		/ /		

/ 9 / AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
 / / 287,493

/ 10 / CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN
 / / SHARES
 / / / /

/ 11 / PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9
 / / 9.58% (4)

/ 12 / TYPE OF REPORTING PERSON
 / / IN

- (1) Includes 45,000 shares that may be acquired upon exercise of options exercisable within 60 days.
- (2) Includes 117,585 shares owned by the 1st State Bank Foundation, Inc., of which the reporting person serves as a Director. Mr. McGill disclaims beneficial ownership of shares owned by 1st State Bank Foundation, Inc.
- (3) Does not include 10,495 shares allocated to the reporting person's account under the 1st State Bancorp, Inc. Employee Stock Ownership Plan.
- (4) Assumes that options for 45,000 shares have been exercised. Based on 2,956,373 shares of common stock outstanding as of December 31, 2004.

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/ 1 / NAMES OF REPORTING PERSONS:
 / / GAIL S. MCGILL
 / /
 / / I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY)
 / /

/ 2 / CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP *
 / /
 / / (a) /X/
 / /
 / / (b) / /
 / /

/ /
 / 3 / SEC USE ONLY
 / /

/ /
 / 4 / CITIZENSHIP OR PLACE OF ORGANIZATION
 / / UNITED STATES OF AMERICA
 / /

/	/	/	/	
/		/ 5 /	SOLE VOTING POWER	288
/	NUMBER OF			
/	SHARES	/ 6 /	SHARED VOTING POWER	0
/	BENEFICIALLY	/ /		
/	OWNED BY			
/	EACH	/ 7 /	SOLE DISPOSITIVE POWER	288
/	REPORTING	/ /		
/	PERSON			
/	WITH	/ 8 /	SHARED DISPOSITIVE POWER	0
/		/ /		

/ 9 / AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
 / / 288

/ 10 / CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN
 / / SHARES
 / / / /

/ 11 / PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9
 / / 0.01%(1)

/ 12 / TYPE OF REPORTING PERSON
 / / IN

(1) Based on 2,956,373 shares of common stock outstanding as of December 31, 2004.

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

- ITEM 1(a). NAME OF ISSUER.
1st State Bancorp, Inc.
- ITEM 1(b). ADDRESS OF ISSUER'S PRINCIPAL EXECUTIVE OFFICES.
445 S. Main Street
Burlington, North Carolina 27215
- ITEM 2(a). NAME OF PERSON(S) FILING.
(A) James C. McGill
(B) Gail S. McGill
- ITEM 2(b). ADDRESS OF PRINCIPAL BUSINESS OFFICE OR, IF NONE, RESIDENCE.
(A) 445 S. Main Street
Burlington, North Carolina 27215

(B) 1915 W. Lake Drive
Burlington, North Carolina 27215
- ITEM 2(c). CITIZENSHIP.
(A) United States of America.
(B) United States of America.
- ITEM 2(d). TITLE OF CLASS OF SECURITIES.
Common Stock, par value \$.01 per share.
- ITEM 2(e). CUSIP NUMBER.
33645S 10 0
- ITEM 3. IF THIS STATEMENT IS FILED PURSUANT TO RULE 13d-1(b), OR 13d-2(b) OR (c), CHECKWHETHER THE PERSON FILING IS A:
- Not applicable. This Statement is being filed pursuant to Rule 13d-1(c).
- ITEM 4. OWNERSHIP.
- (a) AMOUNT BENEFICIALLY OWNED: See Row 9 of the second part of the cover page provided for each reporting person.

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- (b) PERCENT OF CLASS: See Row 11 of the second part of the cover page provided for each reporting person.
- (c) NUMBER OF SHARES AS TO WHICH SUCH PERSON HAS: See Rows 5, 6, 7, and 8 of the second part of the cover page provided for each reporting person.

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ITEM 5. OWNERSHIP OF FIVE PERCENT OR LESS OF A CLASS.

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following: /_/_/

ITEM 6. OWNERSHIP OF MORE THAN FIVE PERCENT ON BEHALF OF ANOTHER PERSON.

No other person is known to have the right to receive or the power to direct the receipt of dividends from or the proceeds from the sale of the shares held by the reporting person.

ITEM 7. IDENTIFICATION AND CLASSIFICATION OF THE SUBSIDIARY WHICH ACQUIRED THE SECURITY BEING REPORTED ON BY THE PARENT HOLDING COMPANY.

Not applicable.

ITEM 8. IDENTIFICATION AND CLASSIFICATION OF MEMBERS OF THE GROUP.

Not applicable.

ITEM 9. NOTICE OF DISSOLUTION OF GROUP.

Not applicable.

ITEM 10. CERTIFICATIONS.

By signing below, I certify that, to the best of my knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

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SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

/s/ James C. McGill

James C. McGill, as an Individual Stockholder

February 11, 2005

/s/ Gail S. McGill

Gail S. McGill, as an Individual Stockholder

February 11, 2005