

PROOF OF CLAIM	
In re <p style="text-align: center;">Cornerstone Ministries Investments, Inc</p>	Case Number <p style="text-align: center;">08-20355-reb</p>
<p><small>NOTE See Reverse for List of Debtors/Case Numbers/ important details This form should not be used to make a claim for an administrative expense arising after the commencement of the case A request for payment of an administrative expense may be filed pursuant to 11 U S C § 503</small></p>	
Name of Creditor and Address the person or other entity to who the debtor owes money or property <div style="border: 1px solid black; padding: 5px;"> 14327826002134 JUDITH STUDDERT 18418 N LAGUNA AZUL DR SURPRISE AZ 85374-6323 </div>	<input type="checkbox"/> Check box if you are aware that anyone else has filed a proof of claim relating to your claim Attach copy of statement giving particulars <input checked="" type="checkbox"/> Check box if you have never received any notices from the bankruptcy court or BMC Group in this case <input type="checkbox"/> Check box if this address differs from the address on the envelope sent to you by the court
Creditor Telephone Number <u>623-214-6391</u> Name and address where payment should be sent (if different from above) Payment Telephone Number ()	<input type="checkbox"/> Check this box if you are the debtor or trustee in this case <div style="display: flex; justify-content: space-between;"> <div> Check here if this claim </div> <div> <input type="checkbox"/> replaces a previously filed claim dated _____ or <input type="checkbox"/> amends claim number (see reverse) _____ </div> </div>
1 AMOUNT OF CLAIM AS OF DATE CASE FILED \$ <u>10,075.00</u> <small>If all or part of your claim is secured complete item 4c below however if all of your claim is unsecured do not complete item 4c</small> <small>If all or part of your claim is entitled to priority complete item 4b</small> <input checked="" type="checkbox"/> Check this box if claim includes interest or other charges in addition to the principal amount of claim Attach itemized statement of interest or charges	
2 BASIS FOR CLAIM <u>Money Loaned</u>	<small>(See instructions #2 and #3a on reverse side)</small> 3 LAST FOUR DIGITS OF ANY NUMBER BY WHICH CREDITOR IDENTIFIES DEBTOR 3a Debtor may have scheduled account as <u>4730</u>
4 CLASSIFICATION OF CLAIM <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> 4a UNSECURED NONPRIORITY CLAIM Total unsecured nonpriority claim \$ <u>10,075.00</u> 4b UNSECURED PRIORITY CLAIM <input checked="" type="checkbox"/> Check this box ONLY if you have an unsecured claim all or part of which is entitled to priority You MUST specify the priority of the claim <input type="checkbox"/> Domestic support obligations under 11 U S C § 507(a)(1)(A) or (a)(1)(B) <input type="checkbox"/> Wages salaries or commissions (up to \$10 950) earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business whichever is earlier 11 U S C § 507(a)(4) <input type="checkbox"/> Contributions to an employee benefit plan 11 U S C § 507(a)(5) </div> <div style="width: 50%;"> Total unsecured priority claim \$ _____ <input type="checkbox"/> Up to \$2 425* of deposits toward purchase lease or rental of property or services for personal family or household use 11 U S C § 507(a)(7) <input type="checkbox"/> Taxes or penalties owed to governmental units 11 U S C § 507(a)(8) <input type="checkbox"/> Other Specify applicable paragraph of 11 U S C § 507(a)() _____ <small>* Amounts are subject to adjustment on 4/1/10 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment</small> </div> </div>	
4c SECURED CLAIM (See instruction #4c on reverse side) Check the appropriate box if your claim is secured by a lien on property or a right of set off and provide the requested information Nature of property or right of setoff <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other _____ Total secured claim \$ _____ Value of Property \$ _____ Annual Interest Rate _____ % Amount of arrearage and other charges <u>at time case filed</u> included in secured claim if any \$ _____ Basis for Perfection _____	
5 CREDITS The amount of all payments on this claim has been credited for the purpose of making this proof of claim 6 SUPPORTING DOCUMENTS <u>Attach redacted copies of supporting doc</u> such as promissory notes purchase orders invoices itemized statements of running accounts contracts court judgments mortgages security agreements You may also attach a summary Attach redacted copies of evidence of perfection of a security interest (See definition of redacted on reverse side) If the documents are not available please explain 7 DATE-STAMPED COPY DO NOT SEND ORIGINAL DOCUMENTS ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING To receive an acknowledgment of the filing of your claim enclose a stamped self addressed envelope and copy of this proof of claim	
The original of this completed proof of claim form must be sent by mail or hand delivered (FAXES NOT ACCEPTED) so that it is actually received on or before the Bar date <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> BY MAIL TO Cornerstone Ministries Investments Inc c/o BMC Group PO Box 900 El Segundo CA 90245-0900 </div> <div style="width: 45%;"> BY HAND OR OVERNIGHT DELIVERY TO Cornerstone Ministries Investments Inc c/o BMC Group 1330 East Franklin Ave El Segundo CA 90245 </div> </div>	
THIS SPACE FOR COURT USE ONLY <div style="display: flex; justify-content: space-around; align-items: center;"> <div> DATE <u>2/25/08</u> </div> <div> SIGNATURE The person filing this claim must sign it Sign and print name and title if any of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address above Attach copy of power of attorney if any <u>Judith Studdert</u> </div> </div>	

FILED

FEB 28 2008

BMC

If you have already filed a proof of claim with the Bankruptcy Court or BMC you do not need to file again

THIS SPACE IS FOR COURT USE ONLY

Feb 25, 2008

US Bankruptcy Court,
Northern District of Georgia
Gainesville Division

RE: Cornerstone Ministries

The end of Dec 2007, I signed a paper extending my investment in Cornerstone Ministries. The initial loan was to be paid to me on 11/08. They sent a note out asking for investors an opportunity to extend their investment for another 2 months. I called and inquired about the extension and nothing was said about any problems with the repayment of the loan. The interest payment was to remain the same at 9%. There was no increase.

If problems were evident in Oct 2007, why were we offered extensions in late Dec?

Name legally changed due
to marriage 10/06
Judith Jeffy to
Judith Studdert

Sincerely,
Judith Studdert

January 31, 2008

Judith Studdert
18418 N Laguna Azul Dr
Surprise AZ 85374-6323

Dear Judith Studdert

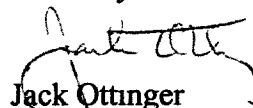
First, as the new interim President and CEO of Cornerstone Ministries Investments, Inc let me ~~thank you for your investment in our firm and its clients~~ We value our relationship with you and want to take a moment to update you on your investment with us

The problems in the US economy, in particular in the credit and real estate sectors, are having an impact on all of us As a fund that makes loans on real estate, we are impacted as well as some of our borrowers who find it more difficult to replace the short term loans we provided For the past few months, a number of the scheduled refinancing closings which would provide our normal cash flow have been delayed for all sorts of reasons Our borrowers' delays have prevented us from paying our regularly scheduled interest and maturities

It has been our practice and habit to pay interest or principal on the first day it is payable and to avoid delays Unfortunately the market is not cooperating with us at this time and we are not currently able to make payment of principal and interest to investors Each investor is important to us and we are doing our best protect the value of your investment. As co-investors with you, we understand the pain and hardship this may cause, and we are being proactive in exploring and developing options that will provide relief to all concerned at the earliest possible moment

We will keep you informed of our progress and will have more detailed communications for you in the near future In the meantime, we appreciate your patience

Sincerely


Jack Ottinger
Interim President, CEO



Commonwealth Church Finance

Home Office - 677 Jonesboro Road, McDonough, GA 30253
Mailing Address - PO Box 1620, Stockbridge, GA 30281
E-mail - churchloans@commonwealthchurchfinance.com
Phone (678) 583-9760/Fax (678) 583-9758
Toll Free -1-800-473-4124

February 7, 2008

IMPORTANT INFORMATION ABOUT YOUR CORNERSTONE INVESTMENT

Dear Commonwealth Investor in Cornerstone Ministries Bonds

Our records indicate that you are, or have been, an investor in Cornerstone Ministries Investments, Inc (Cornerstone) bonds offered in past years through Commonwealth. In an effort to keep you well informed, we would like to give you an update regarding Cornerstone's bond offerings

Everyone is keenly aware of recent events regarding the credit and real estate sectors of our economy. As credit has tightened, real estate sales and closings have slowed to a fraction of what they were a year or even months ago. **Since the Churches which Commonwealth assists in the issuing of bonds are typically NOT dependent upon refinancing to meet their principal and interest obligations to investors, Commonwealth issues are unaffected by the need to refinance.**

Cornerstone, of course, is a fund that operates in the real estate sector of our economy. The money they borrow from investors, such as you and I, is, in turn, loaned to finance various real estate projects in addition to churches. During, or at the completion of these projects, the projects are "refinanced" with permanent financing. At this point funds are made available to pay principal and interest due investors.

Over the past few months, we have been closely watching Cornerstone to see how, or if, they would be affected by the current "credit crunch" in the real estate market. We would now like to report to you our conclusions from those observations.

Cornerstone HAS been impacted by current economic conditions. We began to see evidence of this last October when investors were given the opportunity to renew their bonds at an INCREASED rate of interest.

Many of the bondholders who were due interest in January 2008, have still not received their interest payments. The Trust Indenture used by Cornerstone allows them sixty (60) days in which to make their interest payments before they are considered to be in default.

WE HAVE BEEN INFORMED BY CORNERSTONE THAT THEY ARE CONFIDENT THAT ALL INTEREST DUE WILL BE PAID WITHIN THE SIXTY (60) DAY WINDOW, however there is no guarantee interest payments will be made within this window.

We have been advised that February and March interest payments will also likely be late.

Since some of our investors have reported being solicited for additional investment by Cornerstone, we wanted to make you aware of current conditions.

Cornerstone and its predecessor, Presbyterian Investment Fund, have a 20+ year history of success. They, along with many other financial institutions in America, are caught up in the current economic slowdown. It is Cornerstone's belief that they will successfully ride out this economic "storm". You should be receiving a communication directly from Cornerstone in the very near future.

If you have specific questions, please feel free to contact Cornerstone Ministries Investments, Inc directly at 800-637-8304. You may also contact your Commonwealth Representative or the Commonwealth office.

Sincerely,
David Turner
President

November 2005

Dear Investors, Family & Friends,

It is November and another year is almost over. I do miss writing my monthly newsletters to my investor pool, some of you have been with us for nearly 20 years and some of you have been with us only about 20 days. The original group has seen us go through four name changes and six moves of the office space. From a start of \$50,000.00 in investments to now about \$150,000,000, from a staff of 3 (one of whom has moved to heaven) to so many I am blessed to remember all their names, from a tiny company with a big vision to a large company with an even bigger vision to serve the living God. We make no bones about why so many work for so long for so little – it is to be used to serve God and to pay outstanding returns to our investors, while at the same time doing good work for people in general.

If you are an investor of long standing, we offer our great thanks for your investment, your prayers and support in general. For the new investors, welcome and may you enjoy your time as an investor as much as the “older” group, and may you prosper as much as they have prospered.

Our overall vision stays the same, but our outreaches have varied a great deal. For example, we began by financing churches, and for awhile we put a lot of money in elder care that was all rentals and involved assisted living in many places. Here is a listing of places your money was invested that are serving senior people quite well.

Glenbrooke @ Palm Bay, FL
Lake Forest Park @ Ft. Pierce, FL
Lake Howard Heights @ Winter Haven, FL
The Barrington @ Largo, FL
The Northshore @ St. Petersburg, FL
Summit View @ Chattanooga, TN

Lewisville Estates @ Lewisville, TX
Montclair Estates @ Garland, TX
Newforest Estates @ San Antonio, TX
Waldenbrooke Estates @ Bryan, TX
Copper Lake Estate @ Edmond, OK

Now we are investing in a lot of younger seniors who choose to buy their homes and wish to have more and detailed concierge services. Some of these we hope to be able to tie into preventative wellness programs with a pioneer doctor in the preventative health field. In addition, we have hired a full time church loan developer who is working closely with churches who can use our services. Already he is putting together a consortium of vision partners who will be devoted to developing and growing churches. Maybe our next newsletter will mention the famous pioneer doctor who will be joint venturing our new senior program.

We have two major developments in this type of new seniors market that we are financing.

Wellstone at Lanier ~ Atlanta, Georgia
Wellstone at Craig Ranch ~ McKinney, Texas (North Dallas area)

Plus, we have a housing project in Bluffton, S C and one in Dallas, TX for first-time home buyers.

I wish I could talk and write about our CMI financial plans for the future, but we continue to live in a period of time where regulatory organizations are caught in a bind. They must obey the laws passed by the government in response to the Enron and WorldCom type scandals. It is hurting.

businesses and investors of the world and will continue to do so in the near future Still the fault lies with the public in general They lost money in the Wall Street market collapse of a few years ago, they scream to their government representative and the results are expensive laws that punish all investors So now everyone loses, not just the investor in the Enron and World Com type companies, but everyone The cost per year to investors (I guesstimate) to be in the millions and perhaps billions To know what our financial status is, you can go to the following website where we file a quarterly report [www sec gov](http://www.sec.gov)

I will say this about how we invest your money

- 1 After much prayer and in ways you never have to be ashamed of and in ways we believe is a blessing to others
- 2 We believe we help others create a better life as we finance churches, retirement communities and affordable housing
- 3 We believe we have done this for nearly 20 years and God has blessed it May he do so for another 20 years

In Him,



Cecil

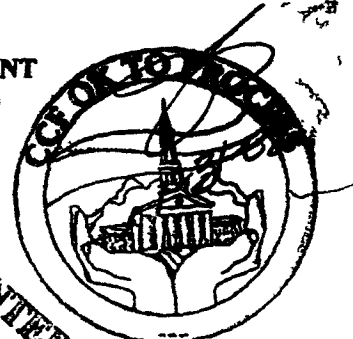
P S You are welcome to call the office at 1 800 637 8304, if you need information or assistance Cissy Hoeflinger, Joi Montgomery and Jack Wehmiller are always glad to assist you

CERTIFICATE OF INDEBTEDNESS PURCHASE AGREEMENT
(For assistance in filling out this form, please see the reverse side)

FIVE YEAR CERTIFICATE

2/27
Mail Completed Form to.

Commonwealth Church Finance
P.O. Box 1620
Stockbridge, GA 30281



Please issue a certificate of indebtedness of PIF/Cornerstone Ministries Investments, Inc. in the amount and name shown below I have received and had an opportunity to read the Prospectus I certify (i) that the number shown on this form is my correct taxpayer identification number, and (ii) that I am not subject to backup withholding.

Signature Judith Jeffy Date 1/1/03

Signature _____ Date _____

Enclosed is payment for purchase of the following Access certificate:

RECEIVED 3 2003

Five-Year Certificate \$ 10,000 (minimum \$500) Interest paid monthly (\$10,000 or more) ☒

Interest paid semi-annually _____ Interest is compounded _____

MAKE CHECKS PAYABLE TO: PIF/CML, INC.

(1879)

Register the certificates in the following name(s)

Name(1) JUDY JEFFY Social Security or Taxpayer ID number ██████-4730 Birthdate 7/23/33

Name (2) _____ Social Security or Taxpayer ID number _____

As (check one)

Individual ☒

Joint Tenants _____

Custodial (certificates owned by minors) _____

Tenants in Common _____ Corporation _____

Trust _____

Other _____

RETIREMENT ACCOUNT

() Traditional IRA () Roth IRA () KEOGH

Custodian _____

Mailing Address for the person(s) who will be registered certificate owner(s):

Address 18418 N. LAGUNA AZUL DR

City State & Zip Code SUPRISE, AZ 85374 e-mail address _____

Telephone Number Business () _____

Home: (623) 214-6391

Yes I want to save the cost of printing and mailing financial reports, proxy statements, and other documents Please send all shareholder communications to my email address Signature _____

Please attach any special mailing instructions other than shown above

NO SUBSCRIPTION IS EFFECTIVE UNTIL ACCEPTANCE

You will be mailed a signed copy of this agreement to retain for your records.

Subscription accepted by Cornerstone Ministries Investments, Inc. and its sales representative

Jayme Sickert Sr Vice President John T. Ottinger Date 2/3/03

Broker/Dealer CCFI Broker RON NORTH #7

Make checks payable to. PIF/CML, Inc.

How to Complete the Certificate of Indebtedness Purchase Agreement

~~KNOWLEDGEMENT FORM~~
FIVE-YEAR CERTIFICATE

In consideration of my investment in the Five-Year Certificates of Indebtedness offered by PIF/Cornerstone Ministries Investments, Inc., I acknowledge the following.

1. ~~I HAVE READ THE "RISK FACTORS" ON PAGE 4 OF THE PROSPECTUS.~~
CERTIFICATES

OF INDEBTEDNESS ARE NOT GUARANTEED OR SECURED AND ARE GENERAL

OBLIGATIONS OF PIF/CORNERSTONE MINISTRIES INVESTMENTS, INC. HOWEVER,
I

UNDERSTAND THAT THE LOANS IN THE PORTFOLIO ARE SECURED BY FIRST
AND/OR

SECOND MORTGAGES ON THE UNDERLYING REAL PROPERTY.

2. **9.00% FIVE-YEAR CERTIFICATES:**

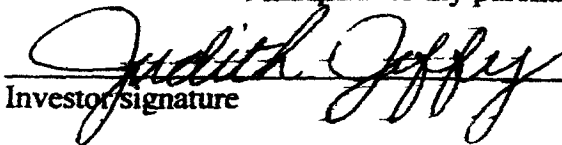
- a. That the specific maturity dates are set every three months so that the invested principal ~~will be available on or near the fifth anniversary date~~
- b. Certificates may be purchased for any amount with a minimum of \$500.
- c. Interest is structured for payout to the investor on the first of the month.
- d. I may choose to have my interest retained and compounded semi-annually
- e. If I invest \$10,000 or more, I may choose to receive monthly interest.

3. **REDEMPTION:**

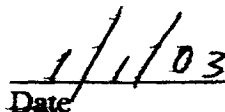
- a. I understand that owners of the Five-Year Certificates ~~MAY NOT~~ redeem their certificates for cash before the maturity date. However, PIF may consider a request for early redemption based on hardship or exceptional need for owners of Certificates held more than one year from purchase date.
- b. If redeemed, I would be subject to an early payment fee equal to six-months interest.

I have read the above disclosures. I also acknowledge that my Commonwealth agent has explained these disclosures to me prior to my purchase

Investor/signature



Date



PIF/Cornerstone

PIF / CORNERSTONE MINISTRIES INVESTMENTS, INC

SPECIAL INFORMATION FOR NEW INVESTORS - #1

How can PIF/CMI pay 9% interest to investors on five-year certificates?

Dear New Investor,

Welcome as a new PIF/CMI investor, unless of course our computer made a mistake and you are an old-time investor. In which case, I apologize and you can stop reading this letter.

The reason I write this is that our regular monthly newsletters that are used to educate, inform and provide wonderful ministry stories of how your money is used to be a blessing in the lives of thousands of people, are cumulative (that is they are current but are built one upon another). These letters have been written and mailed for more than 15 years, so if you are a new investor, a lot of good information has been lost to you. We believe the better the education we provide for our investor, the better investor they will become.

There are certain questions that need to be answered that are beyond the scope of the prospectus that is more geared to securities issues. I shall try to deal with one question per newsletter, so with the next three newsletters you receive, one of these 'special' newsletters will be included. They will provide you a crash course in understanding what PIF/CMI is and how this business/ministry we call PIF CMI operates. I assure you it is a unique company, doing unique things financed by a family of investors that grows daily.

How do we pay such generous interest rates and high dividends on our stock and how have we managed to do so for many years, regardless of economic conditions?

First of all, we are a "niche" financial institution that finances a market that generally has been scorned by regular commercial financial institutions. That market is the not-for-profit borrower. We began more than 18 years ago financing small, start-up churches that are less than three years old and have no place to go to secure financing unless the congregation has some very rich benefactors who will co-sign the mortgage. Have we been successful? Well, in all these years, we have never had a bankruptcy in a church we assisted in securing proper worship and educational facilities. Few financial institutions that finance churches can say that.

6030 Bethelview Road, Suite 101, Cumming, GA 30040
e-mail INFO@CMIATLANTA.COM, 1-800-637-8304
PHONE 678-455-1100

Since our normal five-year certificate pays 9% interest, how can PIF/CMI charge enough to pay these generous rates? Before I tell you what we charge, let me tell you a few things about start-up churches

First, usually they meet in a storefront, school auditorium or funeral parlor as they begin public worship. Of course, these lovely facilities greatly retard new members joining. In fact, it has been proved that taking a church out of the storefront, school or funeral parlor and putting it into the proper worship and educational facility that “looks” like a church facility, the rate of growth escalates. Members and attendees grow by 15% to 25% per year (minimum of three years). At the same time the cost of construction over these same three years escalates by 10% to 15% per year. So, if the church can get into the proper facility now rather than three years later, it means the cost of acquiring a typical church facility will be \$150,000 to \$225,000 less and the church will have acquired 45 to 75 new members—above their regular growth—which will generate \$45,000 to \$75,000 additional income per year. The life of the young church is strengthened dramatically. PIF/CMI is a short-term lender that grows young churches so that, within three years, their loan can be refinanced by a bank. We charge 10% interest and 5% in fees. Since the church cannot borrow money from a bank until they have a substantial financial history, we are their only hope. Our interest and fees are the least expensive, most productive money they will ever borrow. And the system has benefited the church and our investors for nearly 18 years.

Our second not-for-profit “niche” market is senior housing. For this market we have assembled one of the best teams in the industry to find, develop, own and manage retirement centers based on the independent and “bounce-back” model rather than the widely-accepted medical model which so often is devastating to seniors.

For the not-for-profit owners we are using a combination financing that often includes low-interest low floater bonds that can be tax-free. We combine these low floaters with PIF/CMI equity funds. Two different not-for-profits have been successful in buying and/or building a number of retirement homes that are operating successfully. Some of these were purchased at 62 cents and less on the dollar. As the new systems and cultures are installed, they produce good income for the not-for-profit and we refinance PIF/CMI out of the facility and take up to one-third of the profit. Thus our interest rate of 10% with 5% or more fee turns out to be a bargain for the borrower and allows PIF/CMI to participate in a wonderful ministry to seniors while paying top dollar to you, the investor.

The regular newsletters will highlight a ministry story each month from one or more of the churches, or the retirement centers or the community housing project. You will read about miracles that occur in the lives of real people with real needs.

I hope this answers the question, “How do we pay such generous interest rates successfully regardless of economic conditions?” as well as how we shall pay you your interest while protecting your money. PIF/CMI is a short-term investor. We never lend

for the long haul and we never lend at all if we can find a better loan for the not-for-profit

In the next edition, we shall examine the question of "why is PIF/CMI unique?"

A handwritten signature in black ink, appearing to read "Cecil".

In Him,
Cecil A Brooks,
President
CAB sc

CORNERSTONE MINISTRIES INVESTMENTS, INC / PAYING AGENT ACCOUNT**21777**

Judith Jeffy			7/15/2004			
Customer Short Name Jeffy Jud						
Date	Type	Reference	Original Amt	Balance Due	Discount	Payment
7/15/2004	Dividend					0 52
				Check Amount		0 52

DIVIDEND CALCULATION

	(1) <u>Purchase</u> <u>Date</u>	<u>Outstanding</u> <u>Shares</u>	(2) <u># of Days</u> <u>Invested</u>	(3) <u>Pro-rated</u> <u>Shares</u>	<u>Dividend Per</u> <u>Share</u>	(4) <u>Dividend</u> <u>Paid</u>
<u>Cert #</u>						
487	05/09/2003	2 00	183	2 00	0 26	\$0 52
Total						<u>\$0 52</u>

Column Descriptions

(1) Purchase Date

Original date of purchase unless the certificate was created via a transfer from another

7-15-04**Dear Cornerstone Ministries Investments, Inc. Shareholder:**

Thank you for your support of Cornerstone Ministries. The CMI Board of Directors declared a stock dividend of \$.26 per share for all shares with a record date of June 30, 2004. The dividend amount is equal to a 4% return for six months. Enclosed is your dividend check. The dividend amount for shares purchased after December 31, 2003 has been prorated according to the number of days the stock was owned.

We are grateful for your participation with us in our "business/ministry". Our task is to be good stewards of the resources we have to finance churches and faith-based ministries while providing you an excellent return on your investments. If you have any questions, please call our office at 1-800-637-8304.