

UNITED STATES BANKRUPTCY COURT <u>Northern</u> DISTRICT OF <u>Georgia</u>		PROOF OF CLAIM
Name of Debtor <u>Cornerstone Ministries</u>	Case Number <u>08-20355</u>	SEP 05 2008 09:42 AM  <i>WWS</i>  THIS SPACE IS FOR COURT USE ONLY
NOTE: 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 USC § 503.		
Name of Creditor (The person or other entity to whom the debtor owes money or property) <u>ASM Capital</u>	<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 type="checkbox"/> Check box if you have never received any notices from the bankruptcy court in this case. <input type="checkbox"/> Check box if the address differs from the address on the envelope sent to you by the court.	
Name and address where notices should be sent <u>ASM Capital 7600 Jericho Turnpike Suite 302 Woodbury NY 11797</u>	Telephone number <u>(516) 224-6040</u>	
Account or other number by which creditor identifies debtor	Check here if this claim <input type="checkbox"/> replaces a previously filed claim, dated _____ <input type="checkbox"/> amends	
<b>1 Basis for Claim</b> <u>Elizabeth Ivey</u> <input checked="" type="checkbox"/> Goods sold (Original Creditor Name) <input type="checkbox"/> Services performed <input type="checkbox"/> Money loaned <input type="checkbox"/> Personal injury/wrongful death <input type="checkbox"/> Taxes <input checked="" type="checkbox"/> Other <u>Purchase of Claim</u> <input type="checkbox"/> Retiree benefits as defined in 11 USC § 1114(a) <input type="checkbox"/> Wages, salaries, and compensation (fill out below) Your SS # _____ Unpaid compensation for services performed from _____ to _____ (date)		
<b>2 Date debt was incurred</b>	<b>3 If court judgment, date obtained</b>	
<b>4 Total Amount of Claim at Time Case Filed:</b> \$ <u>25,476.40</u> If all or part of your claim is secured or entitled to priority, also complete Item 5 or 6 below <input type="checkbox"/> Check this box if claim includes interest or other charges in addition to the principal amount of the claim. Attach itemized statement of all interest or additional charges.		
<b>5 Secured Claim</b> <input type="checkbox"/> Check this box if your claim is secured by collateral (including a right of setoff) Brief Description of Collateral <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other _____ Value of Collateral \$ _____ Amount of arrearage and other charges at time case filed included in secured claim, if any \$ _____		<b>6 Unsecured Priority Claim</b> <input type="checkbox"/> Check this box if you have an unsecured priority claim Amount entitled to priority \$ _____ Specify the priority of the claim. <input type="checkbox"/> Wages, salaries, or commissions (up to \$4,650)* earned within 90 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier. 11 USC § 507(a)(3) <input type="checkbox"/> Contributions to an employee benefit plan. 11 USC § 507(a)(4) <input type="checkbox"/> Up to \$2,100* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 USC § 507(a)(6) <input type="checkbox"/> Alimony, maintenance, or support owed to a spouse, former spouse, or child. 11 USC § 507(a)(7) <input type="checkbox"/> Taxes or penalties owed to governmental units. 11 USC § 507(a)(8) <input type="checkbox"/> Other. Specify applicable paragraph of 11 USC § 507(a)(_____)
<b>7 Credits</b> The amount of all payments on this claim has been credited and deducted for the purpose of making this proof of claim. <b>8 Supporting Documents:</b> Attach copies of supporting documents, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, court judgments, mortgages, security agreements, and evidence of perfection of lien. DO NOT SEND ORIGINAL DOCUMENTS. If the documents are not available, explain. If the documents are voluminous, attach a summary. <b>9 Date-Stamped Copy:</b> To receive an acknowledgment of the filing of your claim, enclose a stamped, self-addressed envelope and copy of this proof of claim.		THIS SPACE IS FOR COURT USE ONLY
Date <u>08/25/08</u>	Sign and print the name and title, if any, of the creditor or other person authorized to file this claim (attach copy of power of attorney, if any) <u>Angela Way</u>	
Penalty for presenting fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 USC §§ 152 and 3571		

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## ASM CAPITAL - CLAIM PURCHASE AGREEMENT

**Assignment of Claim.** Elizabeth Ivey (hereinafter "Seller") with a principal address of 1761 Mary Lou Lane Atlanta GA 30316, for good and valuable consideration in the sum of \_\_\_\_\_ (the "Purchase Price") does hereby absolutely and unconditionally sell convey and transfer to ASM Capital which includes ASM Capital, LP ASM Capital III LP ASM Offshore Limited, and any of its successors assigns or designees (hereinafter "Purchaser") all of Seller's right title benefit and interest in and to any and all of Seller's pre-petition claim or claims as more specifically set forth as any right to payment (the "Claim") against Cornerstone Ministries Investments Inc ("the Debtor") in bankruptcy proceedings in the United States Bankruptcy Court for the Northern District of Georgia (the "Court") Case No. 08-20355 (the "Case") and includes any Proof of Claim (defined below) along with voting and any other rights and benefits which may now exist, or come into existence in regards the Claim all cash securities instruments and other property to be paid or issued by Debtor or any other party directly or indirectly in connection with or satisfaction of the Claim including without limitation "cure" amounts related to the assumption of an executory contract and any rights to receive all payments in respect thereof and all rights to receive interest, penalties fees and any damages from any cause of action litigation or rights of any nature against Debtor its affiliates any guarantor or other third party which may be paid or issued with respect to and/or in satisfaction of the Claim (the "Recovery"). This Claim Purchase Agreement (the "Agreement") shall be deemed an unconditional purchase of the Claim for the purpose of collection and shall not be deemed to create a security interest. Seller represents the Claim is in an amount not less than \$25,476.40 (the "Claim Amount").

**Proof of Claim.** Seller represents and warrants that (check one)

- (i) \_\_\_\_\_ a proof of claim in the amount of \$ \_\_\_\_\_ (the "Proof of Claim Amount") has been duly and timely filed in the Case or
- (ii)  no proof of claim has been filed.

For the avoidance of doubt, the term "Proof of Claim" shall include unless expressly agreed to otherwise (a) any and all multiple Proofs of Claim filed at any time whether before or after the date of execution of this Agreement, by or on behalf of Seller in respect of the Claim and (b) any and all of Seller's documentation supporting the Claim. The parties agree that if the Proof of Claim Amount is less than the Claim Amount, the Purchase Price shall be reduced such that Seller shall be paid the pro rata share of the Purchase Price based on the lower Proof of Claim Amount.

**Representations, Warranties and Covenants.** Seller represents warrants and covenants that, (a) Seller owns and has sole title to the Claim free and clear of any and all liens, security interests or encumbrances of any kind or nature whatsoever including without limitation pursuant to any factoring agreement, and upon the sale of the Claim to Purchaser Purchaser will receive good title to the Claim; (b) Seller has not previously sold, assigned transferred or pledged the Claim in whole or in part, to any third party; (c) the basis for the Claim is amounts validly due from and owing by the Debtor; (d) the Claim is a valid, undisputed, liquidated, enforceable, and non-contingent claim against the Debtor for which the Debtor has no defenses and no objection to the Claim has been filed or threatened; (e) Seller has not engaged in any acts, conduct or omissions that might result in Purchaser receiving in respect of the Claim, proportionately less payments or distributions or any less favorable treatment than other similarly situated creditors; (f) Debtor or any other third party has no basis to assert the Claim is subject to any defense claim or right of setoff reduction impairment, disallowance subordination or avoidance including preference actions whether on contractual legal or equitable grounds; (g) that Seller is not "insolvent" within the meaning of Section 1-201 (23) of the Uniform Commercial Code or within the meaning of Section 101 (32) of the Bankruptcy Code; and (h) Seller is not an "insider" of the Debtor as set forth in the United States Bankruptcy Code § 101(31) or a member of any official or unofficial committee in connection with the Case. Seller acknowledges and unconditionally agrees any misrepresentation or breach by Seller may cause Purchaser irreparable harm and accordingly, Purchaser shall be entitled to all available remedies as may be available to Purchaser for any such misrepresentation, breach or threatened breach including but not limited to the immediate recovery of money damages ("Restitution") including without limitation a "Restitution Payment" as further defined below.

**Execution of Agreement.** This Agreement shall become effective and valid when (a) Seller executes this Agreement and it is received by Purchaser and (b) the Agreement is executed by a proper representative of Purchaser.

**Consent and Waiver.** Seller hereby acknowledges and consents to all of the terms set forth in this Agreement and hereby waives its right to raise any objections thereto pursuant to Rule 3001 of the Rules of Bankruptcy Procedure.

**Claim or Recovery Impaired or Allowed for an Amount Less than Claim Amount.** If all or any part of the Claim or Claim Amount is (a) avoided, disallowed subordinated, reduced, or otherwise impaired, for any reason whatsoever including without limitation a breach of any of the terms or conditions of this Agreement; or (b) the Claim is subsequently scheduled by Debtor or is amended such that all or any portion of the Claim is listed on the Debtor's amended schedule of liabilities as unliquidated contingent or disputed or in a lesser amount than the Claim Amount (each (a) and (b) a "Disallowance") then Seller shall make immediate Restitution and repayment of the proportional Purchase Price equal to the ratio of the amount of the Disallowance divided by the Claim Amount ("Restitution Payment"), no later than 30 days after receiving notice of such Disallowance. Such Restitution Payment shall be made together with interest, calculated at the rate of nine (9%) percent per annum, from the date of Seller's execution of this Agreement until the date that such Restitution Payment is received by Purchaser. For clarity purposes, this paragraph pertains only to the validity of the Claim and not the Recovery.

**Notices (Including Voting Ballots) Received by Seller; Further Cooperation.** Seller agrees to immediately forward to Purchaser any and all notices received from Debtor the Court or any other court or governmental entity or any third party regarding the Claim assigned herein and to take such other action with respect to the Claim, as Assignee may request from time to time. More specifically Seller shall take such further action as may be necessary or desirable to effect the transfer of the Claim and to direct any payments or distributions, or any form of Recovery on account of the Claim to Purchaser including the execution of appropriate voting ballots transfer powers and consents at Purchaser's sole discretion.

**Notice of Default.** If either party materially breaches any provision hereof, the non-breaching party must deliver to the breaching party written detailed notice of such breach as soon as practicable after becoming aware of such breach. If the breaching party fails to cure such breach within 30 calendar days of receipt of such notice, the non-breaching party may seek any and all remedies available to such non-breaching party including termination of this Agreement.

**Governing Law, Personal Jurisdiction and Service of Process.** This Agreement shall be governed by and construed in accordance with the laws of the State of New York, USA, notwithstanding any contrary choice of law that would otherwise apply under the choice of law principles of that or any other jurisdiction. Any action under or relating to this Agreement may only be brought in any State or Federal court located in Nassau County, in the State of New York. Assignor consents to and confers personal jurisdiction over Assignor by any such court and agrees that Assignee may validly effect service of process upon Assignor by mailing a copy of said process to Assignor's address set forth hereof in this Agreement. In any action hereunder Assignor waives the right to demand a trial by jury.

**Indemnification, Limitation of Liability.** Assignor will indemnify Assignee, its directors, officers, employees and representatives and save them harmless from and against any and all claims, actions, liabilities and Assignee shall not be liable for any damages, or any lost profits whatsoever, relating to the performance of its obligations hereunder.

**Disclosure of Terms of Agreement.** Assignor agrees that this Agreement and all its terms are confidential and may not be disclosed without the prior written consent of Assignee. Assignee shall have the right to all remedies including specific performance and other injunctive and equitable relief without a showing of irreparable harm or injury and without posting a bond.

**Execution/Notice.** This Agreement shall become effective and valid when (a) Assignor executes this Agreement and it is received by Assignee and (b) executed by a proper representative of Assignee. Unless otherwise specifically provided herein, any notice or other communication to be provided hereunder shall be sent to the party's address set forth in the first paragraph of this Agreement by regular mail or overnight courier.

**Miscellaneous.** The parties hereby mutually agree and stipulate that this Agreement is the result of negotiations between the parties and terms hereof are negotiated terms. Accordingly, any rules of interpretation, construction or resolving ambiguity against the drafter that otherwise apply, shall not apply hereto. This Agreement may not be modified, waived, changed or discharged in whole or in part, except by an agreement in writing signed by the parties. This Agreement constitutes the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supercedes all prior agreements, understandings and representations pertaining to the subject matter hereof, whether oral or written. Assignor hereby acknowledges that Assignee may at any time reassign the Claim, or any portion thereof, together with all right title and interest received by Assignee in and to this Agreement. Assignor shall not assign or otherwise transfer its rights or obligations under this Agreement without the prior written consent of Assignee. This Agreement shall be binding upon any prospect's successor of Assignor (whether by operation of law, merger or otherwise) or on any purchaser of all or substantially all of Assignor's assets ("Transfer"). In connection with any such Transfer, the purchaser, successor or assignee of Assignor shall agree to be bound by the terms and conditions of this Agreement. All representations and warranties made herein shall survive the execution and delivery of this Agreement and any reassignment. This Agreement may be signed in counterparts and by telecopy, or other commonly acceptable form of electronic transmission, each of which shall be deemed an original and all of which taken together shall constitute one agreement. Failure or delay on the part of Assignee to exercise any right, power or privilege hereunder shall not operate as a waiver thereof. If any provisions of this Agreement shall be found invalid or unenforceable, in whole or in part, then such provisions shall be deemed to be modified or restricted to the extent and in the manner necessary to render the same valid and enforceable or shall be deemed excised from this Agreement, as the case may require, and this Agreement shall be construed and enforced to the maximum extent by law, as if such provisions had not been originally incorporated herein. In connection with any disagreement or litigation arising out of or in connection with, this Agreement or in order to enforce any provision of this Agreement, Assignor agrees to reimburse Assignee for all of its expenses in connection therewith, including without limitation, reasonable attorneys' fees at the trial and appellate levels.

Elizabeth Ivey ("Assignor")

Name / Title

Signature

Date

*Elizabeth Ivey*  
*Elizabeth Ivey*  
*8/20/08*

Telephone

Fax

*404-464-1696*

ASM Capital ("Assignee")

Signature

Date

*Adams Wolfe*  
*08/20/08*

Douglas Wolfe / General Counsel

Telephone

Fax

(516) 224-6040

(516) 224-6049

\*Note: If payment <sup>5,604.81</sup> not received by 7 to 10 Business days Contract will be considered cancelled.  
*Elizabeth Ivey*