

United States Bankruptcy Court

Voluntary Petition

Name of Debtor (if individual, enter Last, First, Middle):
Cornerstone Ministries Investments, Inc

Name of Joint Debtor (Spouse) (Last, First, Middle):

All Other Names used by the Debtor in the last 8 years (include married, maiden, and trade names):
PIF/Cornerstone Ministries Investments, Inc.

All Other Names used by the Joint Debtor in the last 8 years (include married, maiden, and trade names):

Last four digits of Soc. Sec. or Individual-Taxpayer I.D. (ITIN) No./Complete EIN (if more than one, state all):
58-2232313

Last four digits of Soc. Sec. or Individual-Taxpayer I.D. (ITIN) No./Complete EIN (if more than one, state all):

Street Address of Debtor (No. and Street, City, and State):
2450 Atlanta Highway, Suite 904
Cumming, GA
ZIP CODE 30040

Street Address of Joint Debtor (No. and Street, City, and State):
ZIP CODE

County of Residence or of the Principal Place of Business:
Forsyth

County of Residence or of the Principal Place of Business:

Mailing Address of Debtor (if different from street address):
ZIP CODE

Mailing Address of Joint Debtor (if different from street address):
ZIP CODE

Location of Principal Assets of Business Debtor (if different from street address above):
ZIP CODE

Type of Debtor (Form of Organization) (Check one box.)
[ ] Individual (includes Joint Debtors) See Exhibit D on page 2 of this form.
[X] Corporation (includes LLC and LLP)
[ ] Partnership
[ ] Other (If debtor is not one of the above entities, check this box and state type of entity below.)

Nature of Business (Check one box.)
[ ] Health Care Business
[ ] Single Asset Real Estate as defined in 11 U.S.C. § 101(51B)
[ ] Railroad
[ ] Stockbroker
[ ] Commodity Broker
[ ] Clearing Bank
[X] Other
Tax-Exempt Entity (Check box, if applicable.)
[ ] Debtor is a tax-exempt organization under Title 26 of the United States Code (the Internal Revenue Code).

Chapter of Bankruptcy Code Under Which the Petition is Filed (Check one box.)
[ ] Chapter 7
[ ] Chapter 9
[X] Chapter 11
[ ] Chapter 12
[ ] Chapter 13
[ ] Chapter 15 Petition for Recognition of a Foreign Main Proceeding
[ ] Chapter 15 Petition for Recognition of a Foreign Nonmain Proceeding
Nature of Debts (Check one box.)
[ ] Debts are primarily consumer debts, defined in 11 U.S.C. § 101(8) as "incurred by an individual primarily for a personal, family, or household purpose."
[X] Debts are primarily business debts.

Filing Fee (Check one box.)
[X] Full Filing Fee attached.
[ ] Filing Fee to be paid in installments (applicable to individuals only). Must attach signed application for the court's consideration certifying that the debtor is unable to pay fee except in installments. Rule 1006(b). See Official Form 3A.
[ ] Filing Fee waiver requested (applicable to chapter 7 individuals only). Must attach signed application for the court's consideration. See Official Form 3B.

Chapter 11 Debtors
Check one box:
[ ] Debtor is a small business debtor as defined in 11 U.S.C. § 101(51D).
[X] Debtor is not a small business debtor as defined in 11 U.S.C. § 101(51D).
Check if:
[ ] Debtor's aggregate noncontingent liquidated debts (excluding debts owed to insiders or affiliates) are less than \$2,190,000.
Check all applicable boxes:
[ ] A plan is being filed with this petition.
[ ] Acceptances of the plan were solicited prepetition from one or more classes of creditors, in accordance with 11 U.S.C. § 1126(b).

Statistical/Administrative Information
[X] Debtor estimates that funds will be available for distribution to unsecured creditors.
[ ] Debtor estimates that, after any exempt property is excluded and administrative expenses paid, there will be no funds available for distribution to unsecured creditors.
Estimated Number of Creditors
[ ] 1-49 [ ] 50-99 [ ] 100-199 [ ] 200-999 [X] 1,000-5,000 [ ] 5,001-10,000 [ ] 10,001-25,000 [ ] 25,001-50,000 [ ] 50,001-100,000 [ ] Over 100,000
Estimated Assets
[ ] \$0 to \$50,000 [ ] \$50,001 to \$100,000 [ ] \$100,001 to \$500,000 [ ] \$500,001 to \$1 million [ ] \$1,000,001 to \$10 million [ ] \$10,000,001 to \$50 million [ ] \$50,000,001 to \$100 million [X] \$100,000,001 to \$500 million [ ] \$500,000,001 to \$1 billion [ ] More than \$1 billion
Estimated Liabilities
[ ] \$0 to \$50,000 [ ] \$50,001 to \$100,000 [ ] \$100,001 to \$500,000 [ ] \$500,001 to \$1 million [ ] \$1,000,001 to \$10 million [ ] \$10,000,001 to \$50 million [ ] \$50,000,001 to \$100 million [X] \$100,000,001 to \$500 million [ ] \$500,000,001 to \$1 billion [ ] More than \$1 billion

THIS SPACE IS FOR COURT USE ONLY

**Voluntary Petition**

*(This page must be completed and filed in every case.)*

Name of Debtor(s):

Cornerstone Ministries Investments, Inc.

**All Prior Bankruptcy Cases Filed Within Last 8 Years** (If more than two, attach additional sheet.)

Location Where Filed: N/A	Case Number:	Date Filed:
Location Where Filed:	Case Number:	Date Filed:

**Pending Bankruptcy Case Filed by any Spouse, Partner, or Affiliate of this Debtor** (If more than one, attach additional sheet.)

Name of Debtor: N/A	Case Number:	Date Filed:
District:	Relationship:	Judge:

**Exhibit A**

(To be completed if debtor is required to file periodic reports (e.g., forms 10K and 10Q) with the Securities and Exchange Commission pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 and is requesting relief under chapter 11.)

Exhibit A is attached and made a part of this petition.

**Exhibit B**

(To be completed if debtor is an individual whose debts are primarily consumer debts.)

I, the attorney for the petitioner named in the foregoing petition, declare that I have informed the petitioner that [he or she] may proceed under chapter 7, 11, 12, or 13 of title 11, United States Code, and have explained the relief available under each such chapter. I further certify that I have delivered to the debtor the notice required by 11 U.S.C. § 342(b).

X \_\_\_\_\_  
Signature of Attorney for Debtor(s) (Date)

**Exhibit C**

Does the debtor own or have possession of any property that poses or is alleged to pose a threat of imminent and identifiable harm to public health or safety?

- Yes, and Exhibit C is attached and made a part of this petition.
- No.

**Exhibit D**

(To be completed by every individual debtor. If a joint petition is filed, each spouse must complete and attach a separate Exhibit D.)

Exhibit D completed and signed by the debtor is attached and made a part of this petition.

If this is a joint petition:

Exhibit D also completed and signed by the joint debtor is attached and made a part of this petition.

**Information Regarding the Debtor - Venue**

(Check any applicable box.)

- Debtor has been domiciled or has had a residence, principal place of business, or principal assets in this District for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other District.
- There is a bankruptcy case concerning debtor's affiliate, general partner, or partnership pending in this District.
- Debtor is a debtor in a foreign proceeding and has its principal place of business or principal assets in the United States in this District, or has no principal place of business or assets in the United States but is a defendant in an action or proceeding [in a federal or state court] in this District, or the interests of the parties will be served in regard to the relief sought in this District.

**Certification by a Debtor Who Resides as a Tenant of Residential Property**

(Check all applicable boxes.)

Landlord has a judgment against the debtor for possession of debtor's residence. (If box checked, complete the following.)

\_\_\_\_\_  
(Name of landlord that obtained judgment)

\_\_\_\_\_  
(Address of landlord)

- Debtor claims that under applicable nonbankruptcy law, there are circumstances under which the debtor would be permitted to cure the entire monetary default that gave rise to the judgment for possession, after the judgment for possession was entered, and
- Debtor has included with this petition the deposit with the court of any rent that would become due during the 30-day period after the filing of the petition.
- Debtor certifies that he/she has served the Landlord with this certification. (11 U.S.C. § 362(l)).

**Voluntary Petition**

*(This page must be completed and filed in every case.)*

Name of Debtor(s):

Cornerstone Ministries Investments, Inc.

**Signatures**

**Signature(s) of Debtor(s) (Individual/Joint)**

I declare under penalty of perjury that the information provided in this petition is true and correct.

[If petitioner is an individual whose debts are primarily consumer debts and has chosen to file under chapter 7] I am aware that I may proceed under chapter 7, 11, 12 or 13 of title 11, United States Code, understand the relief available under each such chapter, and choose to proceed under chapter 7.

[If no attorney represents me and no bankruptcy petition preparer signs the petition] I have obtained and read the notice required by 11 U.S.C. § 342(b).

I request relief in accordance with the chapter of title 11, United States Code, specified in this petition.

X \_\_\_\_\_  
Signature of Debtor

X \_\_\_\_\_  
Signature of Joint Debtor

\_\_\_\_\_  
Telephone Number (if not represented by attorney)

\_\_\_\_\_  
Date

**Signature of a Foreign Representative**

I declare under penalty of perjury that the information provided in this petition is true and correct, that I am the foreign representative of a debtor in a foreign proceeding, and that I am authorized to file this petition.

(Check only **one** box.)

I request relief in accordance with chapter 15 of title 11, United States Code. Certified copies of the documents required by 11 U.S.C. § 1515 are attached.

Pursuant to 11 U.S.C. § 1511, I request relief in accordance with the chapter of title 11 specified in this petition. A certified copy of the order granting recognition of the foreign main proceeding is attached.

X \_\_\_\_\_  
(Signature of Foreign Representative)

\_\_\_\_\_  
(Printed Name of Foreign Representative)

\_\_\_\_\_  
Date

**Signature of Attorney\***

X J. Robert Williamson  
Signature of Attorney for Debtor(s) Ga Bar # 765214

J. Robert Williamson  
Printed Name of Attorney for Debtor(s)

Scroggin & Williamson  
Firm Name

Address  
127 Peachtree Street, N.E., Suite 1500  
Atlanta, GA 30303

Telephone Number 404-893-3880

Date 2-10-08

\*In a case in which § 707(b)(4)(D) applies, this signature also constitutes a certification that the attorney has no knowledge after an inquiry that the information in the schedules is incorrect.

**Signature of Non-Attorney Bankruptcy Petition Preparer**

I declare under penalty of perjury that: (1) I am a bankruptcy petition preparer as defined in 11 U.S.C. § 110; (2) I prepared this document for compensation and have provided the debtor with a copy of this document and the notices and information required under 11 U.S.C. §§ 110(b), 110(h), and 342(b); and, (3) if rules or guidelines have been promulgated pursuant to 11 U.S.C. § 110(h) setting a maximum fee for services chargeable by bankruptcy petition preparers, I have given the debtor notice of the maximum amount before preparing any document for filing for a debtor or accepting any fee from the debtor, as required in that section. Official Form 19 is attached.

\_\_\_\_\_  
Printed Name and title, if any, of Bankruptcy Petition Preparer

\_\_\_\_\_  
Social-Security number (If the bankruptcy petition preparer is not an individual, state the Social-Security number of the officer, principal, responsible person or partner of the bankruptcy petition preparer.) (Required by 11 U.S.C. § 110.)

\_\_\_\_\_  
Address

X \_\_\_\_\_

\_\_\_\_\_  
Date

Signature of bankruptcy petition preparer or officer, principal, responsible person, or partner whose Social-Security number is provided above.

Names and Social-Security numbers of all other individuals who prepared or assisted in preparing this document unless the bankruptcy petition preparer is not an individual.

If more than one person prepared this document, attach additional sheets conforming to the appropriate official form for each person.

*A bankruptcy petition preparer's failure to comply with the provisions of title 11 and the Federal Rules of Bankruptcy Procedure may result in fines or imprisonment or both. 11 U.S.C. § 110; 18 U.S.C. § 156.*

**Signature of Debtor (Corporation/Partnership)**

I declare under penalty of perjury that the information provided in this petition is true and correct, and that I have been authorized to file this petition on behalf of the debtor.

The debtor requests the relief in accordance with the chapter of title 11, United States Code, specified in this petition.

X John T. Ottinger, Jr.  
Signature of Authorized Individual

John T. Ottinger, Jr.  
Printed Name of Authorized Individual

Interim President / CEO  
Title of Authorized Individual

2/08/2008  
Date

\_\_\_\_\_  
Date

B 1A (Official Form 1, Exhibit A) (9/97)

*[If debtor is required to file periodic reports (e.g., forms 10K and 10Q) with the Securities and Exchange Commission pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 and is requesting relief under chapter 11 of the Bankruptcy Code, this Exhibit "A" shall be completed and attached to the petition.]*

## UNITED STATES BANKRUPTCY COURT

In re Cornerstone Ministries Investments, Inc., ) Case No. \_\_\_\_\_  
 Debtor )  
 )  
 ) Chapter 11

### EXHIBIT "A" TO VOLUNTARY PETITION

1. If any of the debtor's securities are registered under Section 12 of the Securities Exchange Act of 1934, the SEC file number is 00001035270 .

2. The following financial data is the latest available information and refers to the debtor's condition on September 30, 2007 .

a. Total assets	\$	<u>159,118,892.00</u>		
b. Total debts (including debts listed in 2.c., below)	\$	<u>153,847,984.00</u>		
c. Debt securities held by more than 500 holders:			Approximate number of holders:	
secured <input type="checkbox"/> unsecured <input checked="" type="checkbox"/> subordinated <input type="checkbox"/>	\$	<u>141,868,404</u>		<u>3,523</u>
secured <input type="checkbox"/> unsecured <input type="checkbox"/> subordinated <input type="checkbox"/>	\$	_____		_____
secured <input type="checkbox"/> unsecured <input type="checkbox"/> subordinated <input type="checkbox"/>	\$	_____		_____
secured <input type="checkbox"/> unsecured <input type="checkbox"/> subordinated <input type="checkbox"/>	\$	_____		_____
d. Number of shares of preferred stock		_____		_____
e. Number of shares common stock		<u>908,981</u>		<u>412</u>

Comments, if any: \_\_\_\_\_

3. Brief description of debtor's business:

Cornerstone Ministries Investments, Inc. receives investments from bondholders and share owners to finance land and buildings for related party community housing projects, senior housing facilities, churches and other non-profit faith-based schools, and daycare facilities.

4. List the names of any person who directly or indirectly owns, controls, or holds, with power to vote, 5% or more of the voting securities of debtor:

N/A

**CERTIFIED COPY OF RESOLUTION OF BOARD OF DIRECTORS  
OF CORNERSTONE MINISTRIES INVESTMENTS, INC.,  
A GEORGIA CORPORATION**

This is to certify that at a meeting of the Board of Directors (the "Board") of CORNERSTONE MINISTRIES INVESTMENTS, INC. (the "Corporation"), A GEORGIA CORPORATION, held on the 1<sup>st</sup> day of February, 2008, the following resolution was duly adopted:

"WHEREAS, the Board previously approved the engagement of the Atlanta law firm of Scroggins & Williamson, which specializes in business bankruptcy and restructuring, to review the ongoing options of the Corporation, and related issues; and

WHEREAS, after consideration of the advice provided by Scroggins & Williamson, and such other information and matters as deemed appropriate, the Board has determined that it is in the best interest of the Corporation, its creditors, shareholders, employees and other interested parties that a petition be filed by the Corporation seeking relief under the provisions of Chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code"), in the United States Bankruptcy Court for the Northern District of Georgia (the "Bankruptcy Court"); and

WHEREAS, it appearing that Scroggins & Williamson is well qualified to assist the Corporation and its officers in connection with such Chapter 11 filing;

NOW THEREFORE, be it resolved that the officers of this Corporation be, and they are, hereby authorized and directed on behalf of this Corporation to prepare, execute and file the Corporation's petition for relief under Chapter 11 of the Bankruptcy Code, and all of the necessary papers in connection therewith, in the Bankruptcy Court, and further to such end, to do any other acts, execute all necessary documents and take any other steps in the name and in behalf of the Corporation, that said officers may deem necessary or proper in connection such Chapter 11 case, including, without limitation, preparing and filing a plan of reorganization, with a view to successful prosecution of such case; and be it further

RESOLVED, that the officers are further authorized to retain as general bankruptcy counsel for the Corporation in said case, Scroggins & Williamson, and to provide Scroggins & Williamson with a general Chapter 11 retainer in such amount as deemed appropriate by the officers, in connection therewith, and to pay to Scroggins & Williamson reasonable compensation for services rendered in connection with such engagement; and be it further

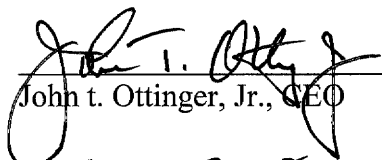
RESOLVED, that the officers are further authorized to retain as special counsel for the Corporation in said case the law firm of Miller & Martin, PLLC, which has acted as the Corporation's outside general counsel, and in that capacity has provided legal advice and representation to the Corporation in a number areas, including, without limitation, securities, finance, corporate, and tax law, with the scope of Miller & Martin, PLLC's retention being limited to the foregoing matters and any other matters deemed necessary by the officers of the Corporation, and the officers are authorized to provide Miller & Martin, PLLC with a retainer in such amount as deemed appropriate by the officers, in connection therewith, and to pay to Miller & Martin, PLLC reasonable compensation for services rendered in connection with such engagement; and be it further

RESOLVED, that the officers are further authorized to retain and employ other attorneys, consultants, investment bankers, accountants and other professionals to assist in the Corporation's Chapter 11 case on such terms as said officers deem necessary or proper; and be it further

RESOLVED, that the Chief Executive Officer of the Corporation, John T. Ottinger, Jr., is authorized to sign and certify a resolution with respect to the foregoing matters; and be it further

RESOLVED, that all actions heretofore taken by the officers of the Corporation, including, but not limited to, any of the matters contained in the foregoing resolutions are hereby approved, ratified and affirmed in all respects.

Said resolution is still of full force and effect.

  
\_\_\_\_\_  
John t. Ottinger, Jr., CEO  
Dated: 2-8-08

**UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF GEORGIA**

In re Cornerstone Ministries Investments, Inc..

Case No. \_\_\_\_\_  
Chapter 11

**LIST OF CREDITORS HOLDING 20 LARGEST UNSECURED CLAIMS**

Following is the list of the Debtor's creditors holding the 20 largest unsecured claims. The list is prepared in accordance with Fed. R. Bankr. P. 1007(d) for filing in this Chapter 11 [or Chapter 9] case. This list does not include (1) persons who come within the definition of "insider" set forth in 11 U.S.C. § 101, or (2) secured creditors unless the value of the collateral is such that the unsecured deficiency places the creditor among the holders of the 20 largest unsecured claims. If a minor child is one of the creditors holding the 20 largest unsecured claims, indicate that by stating "a minor child" and do not disclose the child's name. See 11 U.S.C. § 112; Fed.R.Bankr.P. 1007(m).

(1)	(2)	(3)	(4)	(5)
<i>Name of creditor and complete mailing address, including zip code</i>	<i>Name, telephone number and complete mailing address, including zip code, of employee, agent or department of creditor familiar with claim who may be contacted</i>	<i>Nature of claim (trade debt, bank loan, government contract, etc.)</i>	<i>Indicate if claim is contingent, unliquidated, disputed or subject to setoff</i>	<i>Amount of claim [If secured, also state value of security]</i>
Trinity Trust Company Attn: Marvin D. Hoeffinger, President 595 Double Eagle Court Suite 2100 Reno, Nevada 89521-8991	Ph: (775) 852-9003	Indenture Trustee for Series D, E, F & G Bonds	Unliquidated	\$141,582,200.00
CEDE & Co. 55 Water Street New York, NY 10041	Ph: 212-855-1000 Fax: 212-855-8440 Toll Free: 212-785-9681	Clearinghouse FBO numerous bondholders		\$4,228,660.58
Donald R. Labate TOD: Donald R. Labate Jr., Camille Kotani 445 Overview Drive NW Atlanta, GA 30327-4254	Ph: (770) 956-8229	Bondholder		\$1,486,946.08
Huntleigh Securities Corp. 7800 Forsyth Ave. 5th Floor St. Louis, MO 63105	David Pickerill Ph: (314) 236-2401 Fax: (314) 236-2401 mhahn@hntlgh.com	Clearinghouse FBO numerous bondholders		\$1,334,359.06
Gary M. Scott Revocable Trust dated 9/11/98, Gary M. Scott, Trustee 1191 NW 1100 Road Urich, MO 64788	Ph: (660) 638-4727	Bondholder		\$1,118,045.31
Mason Memorial Church 744 Goff Street Norfolk, VA 23504	Bishop Williams Ph: (757) 622-1532 mmcogic@bellsouth.net	Bondholder		\$1,013,520.84
E. R. Jones Management, Inc. 1382 Garth Road Charlottesville, VA 22901	Ph: (434) 984-1122	Bondholder		\$913,387.35
L. Thomas Pridemore Leigh B. Pridemore 3935 Poplar Springs Road Gainesville, GA 30507	Ph: (770) 535-0330	Bondholder		\$673,604.23
Donald A. Sievenpiper Joan E. Sievenpiper JTWROS 5231 Laurel Circle Gainesville, GA 30506	Ph: (678) 450-4502	Bondholder		\$668,464.80

(1) Name of creditor and complete mailing address, including zip code	(2) Name, telephone number and complete mailing address, including zip code, of employee, agent or department of creditor familiar with claim who may be contacted	(3) Nature of claim (trade debt, bank loan, government contract, etc.)	(4) Indicate if claim is contingent, unliquidated, disputed or subject to setoff	(5) Amount of claim [If secured, also state value of security]
Linden Presbyterian Church P.O. Box 480129 Linden, AL 36748  316 North Main Street Linden, al 36748-1340	Ph: (334) 295-5736	Bondholder		\$597,991.54
Thomas R. Degregorio 5132 Manitou Way Stone Mountain, GA 30087	Ph: (770) 819-2685	Bondholder		\$595,404.61
Kathy Woody -553-11042-1-3 6632 Windvane Point Clermont, GA 30527	Ph: (770) 983-3022	Bondholder		\$543,247.16
Robert F. Jackson Trust 333 Woodstone Dr. Marietta, GA 30068	Ph: (770) 565-9496 Fax: (229) 559-5142 bob@imagesandillusions.com	Bondholder		\$513,635.42
Ray Hill III 6335 Shannon Parkway Union City, GA 30291	Ph: (770) 964-0074 Fax: (770) 964-0778	Bondholder		\$512,236.20
Thomas W. King 21890 West 176th Terrace Olathe, KS 66062	Ph: (828) 284-0978	Bondholder		\$472,422.25
John C. Ackerman 1760 Ocean Grove Drive Atlantic Beach, FL 32233	Ph: (904) 246-9764	Bondholder		\$463,736.67
Charles E. McLeod Living Trust dated 2/9/2006 4664 Haddlesay Drive Evans, GA 30809	Ph: (706) 863-2977	Bondholder		\$447,386.82
Robert F. Silva - #8165-7517 2808 Falcon Ridge Clermont, FL 34711	Ph: (352) 242-9803	Bondholder		\$405,408.33
David & Judith Page Trustees Page Living Trust dated 6/6/96 1326 N. Peninsula Ave. New Smyrna Beach, FL 32169	Ph: (386) 423-2220	Bondholder		\$401,101.43
David S. Page 1326 N. Peninsula Ave. New Smyrna Beach, FL 32169	Ph: (386) 423-2220	Bondholder		\$400,045.53

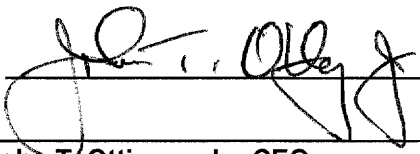


Date \_\_\_\_\_ Debtor Cornerstone Ministries Investments, Inc.

**DECLARATION UNDER PENALTY OF PERJURY  
ON BEHALF OF A CORPORATION OR PARTNERSHIP**

I, the president or other officer or an authorized agent of the corporation [or member or an authorized agent of the partnership] named as the debtor in this case, declare under penalty of perjury that I have read the foregoing list and that it is true and correct to the best of my information and belief.

Date 2-8-08

Signature 

**John T. Ottinger, Jr., CEO**