

STATE OF NEW JERSEY
BUREAU OF SECURITIES
P.O. Box 47029
Newark, New Jersey 07101
(973) 504-3600

IN THE MATTER OF :

CORNERSTONE MINISTRIES INVESTMENTS, INC. : STOP ORDER

SR-11078 :

Respondent. :

To: Cecil A. Brooks
Chairman of the Board, President and Chief Executive Officer
Cornerstone Ministries Investments, Inc.
2450 Atlanta Highway
Suite 904
Cumming, GA 30040

Attorneys for the Issuer:

Drew Field, Esq.
Law Offices of Drew Field
25363 Flanders Drive
Carmel, CA 93923

and

Billy Eiselstein, Esq.
Miller & Martin, PLLC
1170 Peachtree Street, NE
Suite 800
Atlanta, GA 30309

Pursuant to the authority granted to the Chief of the New Jersey Bureau of Securities (“Bureau”), by the Uniform Securities Law, as amended, L. 1997, c. 276 N.J.S.A. 49:3-47 to N.J.S.A. 49:3-76 (“Law”), more specifically, N.J.S.A. 49:3-64, and after careful review and due

consideration of the facts set forth below by the Bureau Chief, the effectiveness of the Registration Statement of Cornerstone Ministries Investments, Inc., (“Cornerstone” or “the issuer”) is DENIED.

BACKGROUND

1. Cornerstone Ministries Investments, Inc., (“Cornerstone”), whose address is 2450 Atlanta Highway, Suite 904, Cumming, GA 30040, is a corporation organized and existing under the laws of the State of Georgia.
2. Mr. Cecil A. Brooks, whose mailing address is 2450 Atlanta Highway, Suite 904, Cumming, GA 30040, is a Director, Chairman of the Board, President and Chief Executive Officer of Cornerstone.
3. Mr. John T. Ottinger, whose mailing address is 2450 Atlanta Highway, Suite 904, Cumming, GA 30040, is a Director, Vice President, Chief Operating Officer, Secretary and Treasurer of Cornerstone.
4. Wellstone Securities, LLC, (“Wellstone”) whose mailing address is 6030 Bethelview Road, Suite 101, Cumming, GA 30040, is engaged in the business of a securities broker-dealer, and holds CRD # 121559. Wellstone is registered as a broker-dealer in New Jersey.
5. Wellstone Securities, LLC is the underwriter of the securities of Cornerstone.
6. Cornerstone filed an application with the Bureau to register its securities on March 10, 2005.
7. Cornerstone seeks to register its Series F bonds, at \$500 per bond, and Common Stock at \$6.50 per share.
8. This registration statement was filed with Securities and Exchange Commission on or about August 27, 2004.
9. The initial registration statement for this public offering of bonds and common stock included statements that Cornerstone’s common stock was approved for listing on the Chicago Stock Exchange (“CHX” or “Exchange”) under the symbol “IHN.”
10. Following inquiries by the Office of Financial and Insurance Services, the Chicago Stock Exchange, on or about, December 3, 2004, issued a letter that Cornerstone’s securities are

not listed on the Chicago Stock Exchange.

11. As a result, securities regulators for Maine, Michigan, Minnesota and Texas brought actions against Cornerstone.

CORNERSTONE IS THE SUBJECT OF STATE ORDERS REVOKING ITS SECURITIES REGISTRATION

12. On December 16, 2004, Michigan issued an Order of Denial of Effectiveness of Registration of Securities.
13. Texas issued a Cease and Desist Order on or about February 9, 2005. Cornerstone was ordered to cease and desist from engaging in materially misleading conduct in connection with the offer and sale of securities in Texas. Cornerstone was also assessed an administrative fine in the amount of \$20,000.
14. On April 26, 2005, Cornerstone and the Minnesota Commission of Commerce entered into a Consent Cease and Desist Order, preventing Cornerstone from offering or selling securities in the State of Minnesota.

CORNERSTONE ENGAGED IN DISHONEST AND UNETHICAL PRACTICES

15. Cornerstone engaged in dishonest and unethical practices in the securities business.
16. Cornerstone misled potential investors by stating that the shares were approved for listing on the Chicago Stock Exchange when they were not.

APPLICABLE LAW

17. N.J.S.A. 49:3-64 (a) (1) and N.J.S.A. 49:3-64 (a) (2) (viii) (D) states that:

The bureau chief may issue a stop order denying effectiveness to . . . any registration statement if he finds: (1) that the order is in the public interest and (2) that (viii). . . (D) is the subject of an order entered by any federal or state securities, commodities, banking, insurance or investment advisory administrator or self-regulatory organization denying or revoking any securities, commodities, banking, insurance or investment advisory license or registration under federal or state securities, commodities, banking, insurance or

investment advisory law.

18. N.J.S.A. 49:3-64 (a) (1) and N.J.S.A. 49:3-64 (a) (2) (viii) (E) states that:

The bureau chief may issue a stop order denying effectiveness to . . . any registration statement if he finds: (1) that the order is in the public interest and (2) that (viii)...any ...(E) the issuer...engaged in dishonest or unethical practices in the securities business.

DENIAL OF EFFECTIVENESS OF THE REGISTRATION STATEMENT BASED ON ORDERS DENYING OR REVOKING CORNERSTONE'S REGISTRATION

19. The issuer, Cornerstone, is the subject of orders of other states' securities administrators denying or revoking its securities registration. This serves as a basis under N.J.S.A. 49:3-64(a)(2)(viii)(D) to deny the Registration Statement of Cornerstone Ministries.
20. Based upon the foregoing, the denial of Cornerstone Ministries' Registration Statement is in the public interest and necessary for the protection of investors, as per N.J.S.A. 49:3-64(a)(1).

DENIAL OF EFFECTIVENESS OF THE REGISTRATION STATEMENT BASED ON THE DISHONEST AND UNETHICAL PRACTICES OF THE ISSUER

21. The prospectus for this public offering of bonds and common stock included statements that Cornerstone's common stock was approved for listing on the Chicago Stock Exchange ("CHX" or "Exchange") under the "IHN."
22. However, as correspondence from the CHX clearly indicates, Cornerstone was never actually approved for listing.
23. This is evidenced by correspondence from the Chicago Stock Exchange.
24. This constitutes a dishonest and misleading practice of the issuer, and is therefore a basis for the denial of Cornerstone Ministries' Registration as per N.J.S.A. 49:3-64 (a)(2)(viii)(E).
25. Based upon the foregoing, the denial of Cornerstone Ministries' Registration Statement is

in the public interest and necessary for the protection of investors pursuant to N.J.S.A. 49:3-64(a)(1).

For the reasons stated above, this Stop Order is hereby entered against the Registration Statement of Cornerstone Ministries Investments, Inc. and the securities registration is denied.

It is on this 5th day of October 2005, hereby ORDERED pursuant to N.J.S.A. 49:3-64 (a) (1), N.J.S.A. 49:3-64 (a) (2) (viii) (D), and N.J.S.A. 49:3-64 (a) (2) (viii) (E), and that the effectiveness of the registration of CORNERSTONE MINISTRIES INVESTMENTS is DENIED.



Franklin L. Widmann
Chief, Bureau of Securities

Dated: October 5, 2005

NOTICE OF RIGHT TO HEARING

Pursuant to N.J.S.A. 49:3-64, this matter will be set down for a hearing if a written request for such hearing is filed with the Bureau Chief within fifteen (15) days after the respondent receives this Complaint and proposed Order. A request for a hearing must be accompanied by a written response which addresses specifically each of the reasons set forth in the Complaint. A general denial is unacceptable. At any hearing involving this matter, a corporation must be represented by an attorney of its choice, unless a non-attorney is representing a corporation in accordance with R. 1:21-1 (e) and N.J.A.C. 1:1-5.4.

If no hearing is requested, the Order shall be entered as a Final Order and will remain in effect until modified or vacated. If a hearing is held, the Bureau Chief shall affirm, vacate or modify the Order in accord with the findings made at the hearing.

NOTICE OF OTHER ENFORCEMENT REMEDIES

You are advised that the Uniform Securities Law (1997), N.J.S.A. 49:3-47 et seq., provides several enforcement remedies which are available to be exercised by the Bureau Chief either alone or in combination. These remedies include, in addition to this action denying the Registration Statement, the right to seek and obtain injunctive and ancillary relief in a civil enforcement action, N.J.S.A. 49:3-69, and the right to seek and obtain civil penalties in an administrative or civil action. N.J.S.A. 49:3-70.1 and N.J.S.A. 49:3-71.

You are further advised that the entry of a Final Order does not preclude the Bureau Chief from seeking and obtaining other enforcement remedies against you in connection with the claims made against you in this action.