

**BEFORE THE COMMISSIONER OF SECURITIES AND INSURANCE
MONTANA STATE AUDITOR**

IN THE MATTER OF:)	Case No.: SEC-2009-6
)	I-12-29-08-281
CORNERSTONE FINANCIAL CORPORATION)	
13 2 nd Avenue)	
Polson, MT, 59860)	
an unregistered broker-dealer firm and securities issuer;)	
)	
K & B INVESTMENTS, LLC)	
49158 Highway 93)	
Polson, MT, 59860)	
An unregistered broker-dealer and securities issuer;)	FINAL AGENCY DECISION AND ORDER
)	
KEITH KOVICK, individually, in his capacity as President, Director and incorporator for Cornerstone Financial Corporation, in his capacity as an unregistered securities salesperson, and in his capacity promoting and conducting a Ponzi scheme;)	
)	
ROBERT J. CONGDON, individually, in his capacity as Secretary and incorporator for Cornerstone Financial Corporation, in his capacity as an unregistered securities salesperson, and in his capacity promoting and conducting a Ponzi scheme;)	
)	
JOHN AND JANE DOES 1-10;)	
)	
Respondents.)	

INTRODUCTION

On October 7, 2011, the Office of the Commissioner of Securities and Insurance, Montana State Auditor (CSI), submitted a Motion for Summary Judgment against the Respondents. Pursuant to a Consent Agreement, executed by Respondent Robert J. Congdon

(Congdon) on January 5, 2012, Congdon was dismissed from this action via a January 12, 2012, Order of the Hearing Examiner.¹ Respondents Cornerstone Financial Corporation (Cornerstone), K & B Investments, LLC (K & B), and Keith Kovick (Kovick) (collectively, Respondents) remained Respondents subject to the administrative action. On March 19, 2012, the Hearing Examiner issued an Order granting the CSI's Motion for Summary Judgment. On July 31, 2012, the Hearing Examiner issued the Hearing Examiner's Proposed Findings of Fact, Conclusions of Law, and Order.

On August 1, 2012, the CSI issued a "Notice of Opportunity to File Exceptions and Scheduling Order" (Order) which set a deadline of August 30, 2012, for the filing of exceptions, supporting briefs, and requests for oral argument. The parties did not file exceptions, supporting briefs, or requests for oral argument within the prescribed time. The Order also notified the parties that if they did not file exceptions to the proposed decision within 30 days, it would constitute a waiver of their right to judicial review of this decision.

STANDARD OF REVIEW

In reviewing the Hearing Examiner's proposed decision, the Commissioner of Securities and Insurance, Montana State Auditor (Commissioner) is guided by the Montana Administrative Procedure Act (MAPA) regarding contested cases. Mont. Code Ann. § 2-4-621. Specifically, MAPA provides:

The agency may adopt the proposal for decision as the agency's final order. The agency in its final order may reject or modify the conclusions of law and interpretation of administrative rules in the proposal for decision but may not reject or modify the findings of fact unless the agency first determines from a review of the complete record and states with particularity in the order that the findings of fact were not based upon competent substantial evidence or that the proceedings on which the findings were based did not comply with the essential requirements of law. The agency may accept or reduce the

¹ The Consent Agreement was formally received and executed by the Deputy Securities Commissioner on February 2, 2012.

recommended penalty in a proposal for decision but may not increase it without a review of the complete record.

Mont. Code Ann. § 2-4-621(3)

As noted in *Ulrich v. State ex rel. Board of Funeral Services*:

When conducting a review of the Board's decision, we note that the Board, which did not personally hear or observe the evidence, does not have the authority to conduct a *de novo* review of the hearing examiner's decision. Rather, it may reject the examiner's findings only if they are not based upon competent, substantial evidence. Additionally, the Board must state with particularity that the findings are not based upon competent, substantial evidence ... [omitting partial quote of Mont. Code Ann. § 2-4-621.]

A rejection of the hearing examiner's findings in violation of Mont. Code Ann. § 2-4-621(3) constitutes an abuse of discretion pursuant to § 2-4-704(2)(a)(vi).

1998 MT 196, ¶ 14, 289 Mont. 407, 412, 961 P.2d 126, 129.

In interpreting MAPA, however, the Montana Supreme Court has held that a hearing examiner's findings of fact may be modified or rejected in other circumstances. *See In the Matter of the Grievance of Brady*, 1999 MT 153, 295 Mont. 75, 983 P.2d 292. The Commissioner may determine that certain of a hearing examiner's findings of fact are based on an interpretation of law and, therefore, such findings of fact may be rejected or modified like conclusions of law by the Commissioner. *See id.* at ¶ 14.

With regard to the Hearing Examiner's conclusions of law interpreting and applying the Securities Act of Montana, Title 30, Chapter 10, Parts 1-3 (Act), and rules promulgated thereunder, the Commissioner may determine that a hearing examiner misinterpreted the law and may modify or reject a hearing examiner's proposed conclusions of law. *See id.* at ¶ 14; *Steer, Inc. v. Department of Revenue*, 245 Mont. 470, 474, 803 P.2d 601, 603 (1990). Further, the Commissioner may accept or reduce the recommended penalty in a hearing examiner's proposed decision, but may not increase it without a review of the complete record. Mont. Code Ann. § 2-4-621(3).

So, therefore, after due consideration of the entire record in this matter including, but not limited to, the transcript of the hearing, and all exhibits admitted into evidence, the Commissioner makes the following determinations:

FINDINGS OF FACT

1. Respondents enticed individuals to invest in promissory notes by offering exorbitant rates of return and various security interests in property. (Exhibit 1, Investor Affidavits and Notes; Exhibit 2, Tr. 24-29, 31; Exhibit 3, Tr. 28-29.)
2. Respondents promised to set aside a portion of the funds for the investors' benefit (Exhibit 2, Tr. 31, Congdon Depo. Exhibit 1), but instead commingled these funds in Respondents' general account.
3. Respondents also used investor funds to pay other investors' returns. (Exhibit 4, ¶¶ 7-9.)
4. Respondents were not licensed to offer securities in the state of Montana, and the products they issued were not registered as securities in Montana. (Exhibit 4, ¶¶ 2, 6; Exhibit 5, Admissions 1-2, 4; Exhibit 6, Admissions 1-4 (unanswered and deemed admitted).)
5. Respondents failed to disclose this information to their investors. (Exhibit 5, Admissions 5-7; Exhibit 6, Admissions 5-7 (unanswered and deemed admitted).)
6. Despite their unregistered status, Respondents operated for years and issued to investors a total of over \$14,000,000 in notes. (Exhibit 1.)
7. Cornerstone was incorporated in the state of Montana on or about May 16, 2000. (Exhibit 7: May 16, 2000, Articles of Incorporation.)
8. Kovick served as president, and Congdon as secretary of the corporation. (Exhibit 7: 2004-2009 Annual Reports.)

9. Cornerstone's sole purpose was to identify parties needing large amounts of funds and match them with investors. (Exhibit 8; Exhibit 2, Tr. 21-23.)

10. These passive investors were attracted by the promised rate of return, often as high as 15 percent annually. (Exhibit 3, Tr. 34.)

11. The funds were used for various purposes, including land acquisition and investment property refinancing. (Exhibit 8.)

12. During the solicitation process, investors were provided with, among other things, a document entitled Loan Request outlining the terms of the agreement. (Exhibit 2, Tr. 31)

13. Cornerstone issued promissory notes memorializing the investments to investors. The notes' terms typically ranged from one to five years and usually were secured by property. (Exhibit 1.)

14. Several parties would often invest in a single note worth hundreds of thousands of dollars with each investor holding a fractionalized interest in the securitizing property. (Exhibit 9: D & D Management and Development, Inc. (D & D) Notes).)

15. Cornerstone obtained investors from a variety of sources, marketing itself as having an "extensive investor list." (Exhibit 8.)

16. Existing investors recommended Respondents' services to others. (Exhibit 3, Tr. 33.)

17. Kovick and Congdon also approached former clients from their prior employment at Questa Mortgage. (Exhibit 2, Tr. 11.)

18. Investors were also referred to Cornerstone by numerous third parties in return for a referral fee. (Exhibit 2, Tr. 14-15.)

19. Respondents had a list of 50 to 75 investors at their disposal. (Exhibit 3, Tr. 32.)

20. Investors included institutional clients such as retirement plans. (Exhibit 2, Tr. 17.)

21. In numerous instances, the Respondents themselves signed promissory notes in order to personally obtain investor funds. (Exhibit 10: Cornerstone Notes; Exhibit 11: Kovick Notes; Exhibit 12: Congdon Notes; Exhibit 13: K & B Investments, LLC Notes.)

22. At times, investors proactively would contact Cornerstone seeking an investment placement. (Exhibit 3, Tr. 29.)

23. Respondents reaped commissions ranging from 5 to 10 percent of the investment. (Exhibit 3, Tr. 34.)

24. In some cases, Respondents took commissions in the form of a percentage of the investment itself. (Exhibit 2, Tr. 56-57.)

25. Respondents issued these notes for several years despite the fact they were unlicensed to sell securities in the state of Montana. (Exhibit 4, ¶ 2.)

26. Cornerstone issued notes that were not registered in Montana as securities. (*Id.* at ¶ 6.)

27. From a prior interaction with the Montana State Banking Commission, Congdon had particular reason to believe these products may have been securities, but he chose not to confirm or dispel this suspicion. (Exhibit 2, Tr. 48-49.)

28. Furthermore, Respondents failed to disclose to their clients that they were not licensed to issue securities, and that the notes themselves were not registered as securities. (Exhibit 5, Admissions 5-7; Exhibit 6, Admissions 5-7 (unanswered and deemed admitted).)

29. Cornerstone also represented in writing to some investors that a portion of their investments would "be held in escrow" with an escrow agency. (Exhibit 2, Tr. 31, Congdon Depo., Exhibit 1.)

30. Respondents were to use the "escrowed" funds to payout the investors' initial returns, often for a year. (*Id.*) Following that, fund recipients would assume the payments. (*Id.* at Tr. 46.)

31. Congdon confirmed that he drafted the escrow language. He has also admitted these representations were false as Cornerstone did not place the funds in escrow. (*Id.* at Tr. 31-32.)

32. Instead, Respondents placed the money in Cornerstone's general business account. (*Id.* at Tr. 33.)

33. By doing so, Respondents commingled the "escrowed" funds with the funds of Cornerstone itself and other investors. (Exhibit 4, ¶ 7.)

34. From these accounts, Cornerstone then sent each month's investor "escrow" payments for payout as they came due via Escrow Services, a Kalispell company. (Exhibit 2, Tr. 31-33.)

35. Respondents also misappropriated and commingled investor funds and used them to satisfy prior investors' payments. (Exhibit 4, ¶¶ 7-9.)

36. In one example of misappropriation, the Respondents solicited a party to invest in a \$375,000 note to [REDACTED] (Exhibit 14: [REDACTED] Note.)

37. Upon receiving these funds, Respondents paid \$280,235 to pay a previous investor in the scheme. (Exhibit 4, ¶ 8.)

38. Respondents transferred \$66,000 into Respondent Cornerstone's 1st Citizen's Bank account, where they distributed \$34,307.65 to prior investors in the scheme. (*Id.*)

39. Respondents spent the bulk of the remainder on boat repairs, company overhead expenses, and salary checks to themselves. (*Id.*)

40. Beginning in 2006 and up until late 2008 the Respondents' scheme of offering, selling, and issuing notes had largely become a Ponzi scheme. The scheme began to collapse in 2008, when new funds failed to arrive to pay off the earlier investors whose investments had already been misappropriated. (Exhibit 4.)

41. Kovick and Congdon formed Respondent K & B as an investment vehicle. (Exhibit 2, Tr. 55-56.)

42. Through Kovick and Congdon, K & B acquired real property. (Exhibit 2, Tr. 26.) K & B later solicited investments and issued notes secured by these properties. (Exhibit 13: K & B Notes.)

43. On January 26, 2009, writing on Cornerstone Financial, Inc. stationery, Congdon wrote to Cornerstone's "Valued Investors" admitting that the business was in trouble, but reassuring the investors that "your investments will be made current including any and all late fees accrued." (Exhibit 15, Tr. 93, Powers Depo. Exhibit 12.)

44. Congdon promised "to make things square with you absolutely as soon as I possibly can." (*Id.*)

Relevant Securities Issued:

45.  Investments: Cornerstone, through its agents, Kovick and Congdon, offered and sold investment opportunities in the form of notes to 24 individual investors for an aggregate investment of \$1,737,000. This was in five separate offerings which took place on or

about January 28, 2005; February 8, 2006; March 10, 2006, accounting for two notes; and May 2, 2007. The five-year notes carried an interest rate of 15 percent. The notes indicate they were securitized by real property located in Idaho. The recipient of the investors' proceeds was an individual identified as [REDACTED] (Exhibit 16: [REDACTED] Notes.)

46. [REDACTED] Investment: Cornerstone, through its agents, Kovick and Congdon, offered and sold an investment opportunity in the form of a promissory note for an aggregate investment of \$375,000 in or near June 2008. The five-year note carried a rate of return of 15 percent. The note indicates it was securitized by real property located in Fergus County, Montana. The recipients of the investors' proceeds are identified as [REDACTED]. (Exhibit 14: [REDACTED] Note.)

47. [REDACTED] Investment: Cornerstone, through its agents, Kovick and Congdon, offered and sold an investment opportunity in the form of a note to nine individual investors for an aggregate investment of \$650,000 in or near August, 2007. The five-year note carried an interest rate of 15 percent. The note indicates it was securitized by real property located in Gallatin County, Montana. The recipient of the investors' proceeds is identified as [REDACTED] [REDACTED] (Exhibit 17: [REDACTED] Note.)

48. [REDACTED] Investments:

a. Cornerstone, through its agents, Kovick and Congdon, offered and sold investment opportunities in the form of a note to 10 investors for an aggregate investment of \$1,500,000 on or about January 18, 2005. The five-year note carried an interest rate of 15 percent. The note indicates it was securitized by real property located in Ravalli County, Montana. The recipient of the investors' proceeds is identified as [REDACTED] [REDACTED]. (Exhibit 18: [REDACTED] Notes at 1-2.)

b. Cornerstone, through its agents, Kovick and Congdon, offered and sold an investment opportunity in the form of a note to 11 investors for an aggregate investment of \$350,000 on or about December 6, 2006. The five-year note carried an interest rate of 15 percent. The note indicated it was securitized by real property located in Ravalli County, Montana. The recipient of the investors' proceeds is identified as [REDACTED] (Exhibit 18: [REDACTED] Notes at 3-4.)

49. [REDACTED] Investments:

a. Cornerstone, through its agents Kovick and Congdon, offered and sold an investment opportunity in the form of a note to two investors for an aggregate investment of \$100,000 on or about March 3, 2006. The three-year note carried a 12 percent interest rate. The note indicates it was securitized by real property owned in Broadwater County, Montana. The recipients of the investment proceeds are identified as [REDACTED] Limited Partnership, [REDACTED] (Exhibit 19: [REDACTED] Notes at 1-2.)

b. Cornerstone, through its agents Kovick and Congdon, offered and sold another investment opportunity in the form of a note to investors for an aggregate investment of \$100,000 on or about July 14, 2006. The three-year note carried a 12 percent interest rate. The note indicates it was securitized by real property owned in Broadwater County, Montana. The recipients of the investment proceeds are identified as [REDACTED] Limited Partnership, [REDACTED] and [REDACTED] (Exhibit 19: [REDACTED] Notes at 3-4.)

c. Cornerstone, through its agents, Kovick and Congdon, offered and sold an investment opportunity in the form of a note to investors for an investment of \$140,000 in the [REDACTED] Limited Partnership on or about September 14, 2007. The five-year note promised a rate of return of 15 percent. The note indicates it was securitized by real property owned in Broadwater County, Montana. The recipients of the investment proceeds are identified as [REDACTED] Limited Partnership, [REDACTED] and [REDACTED] (Exhibit 20: [REDACTED] Bluff Note.)

50. [REDACTED] Investments:

a. C.J. Congdon and Jamie Congdon offered and sold an investment opportunity to an investor in the form of a note for \$100,000 in or near May 2006. The one-year note promised a rate of return of 10 percent. The note indicates it was securitized by real property owned in Lake County, Montana. The recipients of the investment proceeds are identified as [REDACTED] and [REDACTED] (Exhibit 12: [REDACTED] Notes at 1-2.)

b. Congdon offered and sold an investment opportunity to an investor in the form of a note for \$40,000 on or about September 7, 2007. The one-year note paid a rate of return of 10 percent. The recipient of the investment proceeds is identified as [REDACTED] (Exhibit 12: [REDACTED] Notes at 3-4.)

51. Congdon/Kovick Investments:

a. Kovick and Congdon offered and sold an investment opportunity in the form of a note in the amount of \$30,000 on or about January 2004. The investors were solicited to invest with Kovick and Congdon personally. The three-year note carried a rate of return of 10 percent. The note indicates it was securitized by real property owned

in Lake County, Montana. The recipients of the investment proceeds are identified as Robert Congdon and Keith Kovick. (Exhibit 21: Congdon/Kovick Notes at 1-2.)

b. Kovick and Congdon offered and sold an investment opportunity in the form of a note in the amount of \$40,000 on or about March 23, 2006. The investor was solicited to invest with Kovick and Congdon personally. The three-year note carried a rate of return of 8.5 percent. The note indicates it was securitized by real property owned in Lake County, Montana. The recipients of the investment proceeds are identified as Robert Congdon and Keith Kovick. (Exhibit 21: Congdon/Kovick Notes at 3-4.)

c. Kovick and Congdon offered and sold an investment opportunity in the form of a note to three investors for an aggregate of \$100,000 on or about December 13, 2005. The three-year note promised a rate of return of 8.5 percent. The note indicated it was securitized by real property owned in Lake County, Montana. The recipients of the investment proceeds are identified as Robert Congdon and Keith Kovick. (Exhibit 21: Congdon/Kovick Notes at 5-6.)

52. Cornerstone Investments:

a. Cornerstone, through its agents Kovick and Congdon, offered and sold an investment opportunity in the form of a note for \$20,000 on or about June 3, 2004. The three-year note carried a rate of return of 10 percent. The note indicates it was securitized by real property owned in Lake County, Montana. The recipients of the investment proceeds are identified as Cornerstone, Robert Congdon, and Keith Kovick. (Exhibit 10: Cornerstone Notes at 1-2.)

b. Cornerstone, through its agents Kovick and Congdon, offered and sold another investment opportunity in the form of a note for \$20,000 on or about December 28, 2004. The two-year note carried a rate of return of 10 percent. The recipients of the investment proceeds are identified as Cornerstone, Robert Congdon, and Keith Kovick. (Exhibit 10: Cornerstone Notes at 3-4.)

c. Cornerstone, through its agents Kovick and Congdon, offered and sold an investment opportunity in the form of a note for \$30,000 on or about January 5, 2005. The five-year note carried a rate of return of 8 percent. The recipients of the investment proceeds are identified as Cornerstone, Robert Congdon, and Keith Kovick. (Exhibit 10: Cornerstone Notes at 5-6.)

d. Cornerstone, through its agents Kovick and Congdon, offered and sold an investment opportunity in the form of a note for \$40,000 on or about January 5, 2005. The five-year note promised to pay a rate of return of 8 percent. The recipients of the investment proceeds are identified as Cornerstone, Robert Congdon, and Keith Kovick. (Exhibit 10: Cornerstone Notes at 7.)

e. Cornerstone, through its agents Kovick and Congdon, offered and sold an investment opportunity in the form of a note for \$50,000 on or about January 4, 2005. The five-year note carried a rate of return of 8.5 percent. The note indicates it was securitized by real property owned in Lake County, Montana. The recipients of the investment proceeds are identified as Cornerstone, Robert Congdon, and Keith Kovick. (Exhibit 10: Cornerstone Notes at 8-9.)

f. Cornerstone, through its agents, Kovick and Congdon, offered and sold an investment opportunity in the form of a note for \$55,000 on or about February 21, 2005. The five-year note promised to pay a rate of return of 8 percent. The recipients of the investment proceeds are identified as Cornerstone, Robert Congdon, and Keith Kovick. (Exhibit 10: Cornerstone Notes at 10-11.)

g. Cornerstone, through its agents, Kovick and Congdon, offered and sold an investment opportunity in the form of a note for \$40,000 on or about October 10, 2005. The five-year note promised to pay a rate of return of 8.5 percent. The recipients of the investment proceeds are identified as Cornerstone, Robert Congdon, and Keith Kovick. (Exhibit 10: Cornerstone Notes at 14-15.)

h. Cornerstone, through its agents Kovick and Congdon, offered and sold an investment opportunity in the form of a note to an investor for an investment of \$50,000 on or about November 4, 2005. The five-year note carried an interest rate of 8.5 percent. The recipients of the investment proceeds are identified as Cornerstone, Robert Congdon, and Keith Kovick. (Exhibit 10: Cornerstone Notes at 16-17.)

i. Cornerstone, through its agents Kovick and Congdon, offered and sold an investment opportunity in the form of a note for the amount of \$26,000 on or about February 4, 2008. The three-year note carried an interest rate of 10 percent. The recipients of the investment proceeds are identified as Cornerstone, Robert Congdon, and Keith Kovick. (Exhibit 10: Cornerstone Notes at 18-19.)

j. Cornerstone, through its agents Kovick and Congdon, offered and sold an investment opportunity in the form of a note on or about February 22, 2007, in the amount of \$11,000. The three-year note carried a rate of return of 10 percent. The

recipients of the investment proceeds are identified as Cornerstone, Robert Congdon, and Keith Kovick. (Exhibit 10: Cornerstone Notes at 20-21.)

k. Cornerstone, through its agents Kovick and Congdon, offered and sold an investment opportunity in the form of a note in the amount of \$12,000 on or about August 10, 2007. The three-year note carried a rate of return of 10 percent. The recipients of the investment proceeds are identified as Cornerstone, Robert Congdon, and Keith Kovick. (Exhibit 10: Cornerstone Notes at 24-25.)

l. Cornerstone, through its agents Kovick and Congdon, offered and sold an investment opportunity in the form of a note in the amount of \$60,000 on or about December 15, 2007. The three-year note carried a rate of return of 10 percent. The note indicated it was securitized by real property in Lake County, Montana. The recipients of the investment proceeds are identified as Cornerstone, Robert Congdon, and Keith Kovick. (Exhibit 10: Cornerstone Notes at 26-27.)

m. Cornerstone, through its agents Kovick and Congdon, offered and sold an investment opportunity in the form of a note on or about December 10, 2007, to an investor for an investment of \$46,000. The three-year note carried a rate of return of 10 percent. The note indicated it was securitized by real property in Lake County, Montana. The recipients of the investment proceeds are identified as Cornerstone, Robert Congdon and Keith Kovick. (Exhibit 10: Cornerstone Notes at 28-29.)

n. Kovick and Congdon solicited an investor to invest \$50,000 in a three-year note on or about October 15, 2008. The three-year note carried an interest rate of 15 percent. The note indicates it was securitized by real property in Lake County, Montana.

The recipients of the investment proceeds are identified as Robert Congdon and Keith Kovick. (Exhibit 10: Cornerstone Notes at 30-31.)

o. Cornerstone, through its agents Kovick and Congdon, offered and sold an investment opportunity in the form of a note to an investor for an investment of \$5,400. (Exhibit 28.)

p. Cornerstone, through its agents Kovick and Congdon, offered and sold an investment opportunity in the form of a note to an investor for an investment of \$30,000. (Exhibit 28.)

53. D & D Management Investments: Cornerstone, through its agents Kovick and Congdon, offered and sold investment opportunities in the form of four notes to investors for an aggregate investment of \$3,000,000 in and during 2006 and 2007. The three five-year notes and one 42-month note carry interest rates of 15 percent each. Four notes were sold to four different groups of investors, each for an aggregate of \$750,000. The notes indicate they were securitized by real property in Gallatin County, Montana. The recipients of the investment proceeds are identified as D & D Development and Management, LLC; [REDACTED] and [REDACTED] for two notes. (Exhibit 22: D & D Notes.)

54. [REDACTED] Investments: Cornerstone, through its agents, Kovick and Congdon, offered and sold investment opportunities in the form of two notes to 17 individual investors for an aggregate investment of \$1,210,000 in two separate offerings in or about May 2005 and on or about October 11, 2006. The five-year notes carried interest rates of 12.95 percent and 15 percent, respectively. The notes indicate they were securitized by real property in Missoula County, Montana. The recipients of the investment proceeds are identified as [REDACTED] and [REDACTED] and [REDACTED] respectively. (Exhibit 23: [REDACTED] Notes.)

55. [REDACTED] Investment: Cornerstone, through its agents Kovick and Congdon, offered and sold an investment opportunity in the form of a note to three individual investors for an aggregate investment of \$533,500 on or about April 10, 2008. The five-year note carried a rate of return of 15 percent. The note indicates it was securitized by real property in Cascade County, Montana. The recipients of the investment proceeds are identified as [REDACTED] and [REDACTED] (Exhibit 24: [REDACTED] Note.)

56. [REDACTED] Investment: Cornerstone, through its agents, Kovick and Congdon, offered and sold an investment opportunity in the form of a note in the amount of \$150,000 to investors on or about April 26, 2006. The three-year note carried a rate of return of 15 percent. The note indicates it was securitized by personal property in the form of motor vehicles. The recipient of the investment proceeds is identified as [REDACTED] (Exhibit 25: [REDACTED] Note.)

57. [REDACTED] Investments:

a. Cornerstone, through its agent Congdon, offered and sold investment opportunities in the form of two notes to an investor. One investment was for \$60,000 and the other investment was for \$80,000, for a total investment of \$140,000, on or about May 12, 2008. The three-year notes carried a rate of return of 15 percent. The notes indicate they were securitized by real property in Jefferson County, Montana. The recipient of the investment proceeds is identified as [REDACTED] (Exhibit 26: [REDACTED] Notes at 1-4.)

b. Cornerstone offered and sold an investment opportunity in the form of a note to two investors for an investment of \$60,000 on or about May 22, 2008. The three-year note carried a rate of return of 15 percent. The note indicates it was securitized by

real property in Jefferson County, Montana. The recipient of the investment proceeds is identified as [REDACTED] (Exhibit 26: [REDACTED] Notes at 5-6.)

58. K & B Investments:

a. K & B Investments, through its agents Kovick and Congdon, offered and sold an investment opportunity in the form of a note for \$100,000 on or about May 2, 2007. The three-year note carried a rate of return of 10 percent. The note indicates it was securitized by real property in Lake County, Montana. The recipients of the investment proceeds are identified as K & B Investments, Keith Kovick, and Robert Congdon.

(Exhibit 13: K & B Notes at 1-2.)

b. K & B, through its agents Kovick and Congdon, offered and sold an investment opportunity in the form of a note to two investors for \$25,000 on or about May 6, 2007. The three-year note promised a rate of return of 10 percent. The note indicates it was securitized by real property in Lake County, Montana. The recipients of the investment proceeds are identified as K & B Investments, Keith Kovick, and Robert Congdon. (Exhibit 13: K & B Notes at 3-4.)

c. K & B Investments, through its agents, Kovick and Congdon, offered and sold an investment opportunity in the form of a note for \$35,000 on or about April 1, 2008. The three-year note carried a rate of return of 12 percent. The note indicates it was securitized by real property in Lake County, Montana. The recipients of the investment proceeds are identified as K & B Investments, Keith Kovick, and Robert Congdon.

(Exhibit 13: K & B Notes at 5-6.)

d. K & B Investments, through its agents Kovick and Congdon, offered and sold an investment opportunity in the form of a note to two investors for \$50,000 on or about April 17, 2008. The nine-month note carried a rate of return of 12 percent. The note indicates it was securitized by real property in Lake County, Montana. The recipients of the investment proceeds are identified as K & B Investments, Keith Kovick, and Robert Congdon. (Exhibit 13: K & B Notes at 7-8.)

e. K & B Investments, through its agents Kovick and Congdon, offered and sold an investment opportunity in the form of a note to two investors for \$50,000 on or about June 12, 2005. The five-year note carried a rate of return of 8.5 percent. The note indicates it was securitized by real property in Lake County, Montana. The recipients of the investment proceeds are identified as K & B Investments, Keith Kovick, and Robert Congdon. (Exhibit 10: K & B Notes at 12-13.)

f. K & B Investments, through its agents Kovick and Congdon, offered and sold an investment opportunity in the form of a note to two investors for \$40,000 on or about June 12, 2005. The five-year note carried a rate of return of 8.5 percent. The note indicates it was securitized by real property in Lake County, Montana. The recipients of the investment proceeds are identified as K & B Investments, Keith Kovick, and Robert Congdon. (Exhibit 10: K & B Notes at 22-23.)

59. **[REDACTED] Investment**: Cornerstone, through its agents, Kovick and Congdon, offered and sold investment opportunities in the form of a note to six investors for an aggregate investment of \$150,000 on or about October 1, 2007. The five-year note carried a rate of return of 15 percent. The note indicates it was securitized by real property in Alaska. The recipient of the investment proceeds is identified as **[REDACTED]** (Exhibit 27: **[REDACTED]** Note.)

60. Kovick Investments:

a. Keith Kovick and [REDACTED] offered and sold an investment opportunity in the form of a note to an investor for the amount of \$33,000 in or near July 2006. The five-year note promised a rate of return of 10 percent. The note indicates it was securitized by real property in Lake County, Montana. The recipients of the investment proceeds are identified as [REDACTED] and Keith Kovick. (Exhibit 11: Kovick Notes and Supporting Documents at 1-2.)

b. Keith Kovick and his [REDACTED] offered and sold an investment opportunity in the form of a note to an investor for the amount of \$35,000 on or about June 15, 2006. The Trust Indenture associated with the note indicates the note was securitized with real property in Polson, Montana. (Exhibit 11: Kovick Notes and Supporting Documents, at 3-7.)

c. Keith Kovick and [REDACTED] offered and sold an investment opportunity in the form of a note to an investor for the amount of \$150,000 in or near January 2006. The one-year note promised a rate of return of 10 percent. The note indicates it was securitized by real property in Lake County, Montana. The recipients of the investment proceeds are identified as [REDACTED] and Keith Kovick. (Exhibit 11: Kovick Notes and Supporting Documents at 8.)

d. Kovick offered and sold an investment opportunity in the form of a note for \$55,000 on or about April 5, 2007. The three-year note promised a rate of return of 10 percent. The note indicated it was securitized by real property in Lake County, Montana. The recipient of the investment proceeds is identified as Keith Kovick. (Exhibit 11: Kovick Notes and Supporting Documents at 9-10.)

e. Kovick offered and sold an investment opportunity in the form of a note to two investors for \$80,000 on or about April 1, 2008. The three-year note indicated a rate of return of 12 percent. The note indicates it was securitized by real property in Lake County, Montana. The recipient of the investment proceeds is identified as Keith Kovick. (Exhibit 11: Kovick Notes and Supporting Documents at 11-12.)

f. Kovick offered and sold an investment opportunity to investors in the form of a note for \$45,000 on or about May 20, 2008. The three-year note promised a rate of return of 12 percent. The note indicates it was securitized by real property in Lake County, Montana. The recipient of the investment proceeds is identified as Keith Kovick. (Exhibit 11: Kovick Notes and Supporting Documents at 13-14.)

g. Kovick offered and sold an investment opportunity in the form of a note for \$65,000 on or about January 19, 2008. The five-year note promised a rate of return of 13.5 percent. The note indicates it was securitized by real property in Lake County, Montana. The recipient of the investment proceeds is identified as Keith Kovick. In May 2008 and November 2008, Kovick solicited another \$5,000 and \$30,000 from this investor, increasing the rate of return to 15 percent on the aggregate investment of \$100,000. (Exhibit 11: Kovick Notes and Supporting Documents at 15-17.)

h. Kovick offered and sold an investment opportunity in the form of a note for \$15,000 on or about September 20, 2008. The five-year note was to pay a rate of return of 10 percent. The note indicates it was securitized by real property in Lake County, Montana. The recipient of the investment proceeds is identified as Keith Kovick. (Exhibit 11: Kovick Notes and Supporting Documents at 18-19.)

61. [REDACTED] Investment: On or about October 29, 2007, Cornerstone, through its agents Kovick and Congdon, offered and sold investment opportunities in the form of a note to three investors for an aggregate investment of \$90,000. The one-year note promised a rate of return of 14 percent. The note indicates it was securitized by real property in Lake County, Montana. The recipients of the investment proceeds are identified as [REDACTED] (Exhibit 29: [REDACTED] Note.)

62. [REDACTED] Cornerstone, through its agents Kovick and Congdon, offered and sold an investment opportunity in the form of a note to an investor in an amount of \$83,400 on or about February 4, 2008. The five-year note promised a rate of return of 15 percent. The note indicates it was securitized by real property in Broadwater County, Montana. The recipients of the investment proceeds are identified as [REDACTED] Corporation, [REDACTED] and [REDACTED] (Exhibit 30: [REDACTED].)

63. [REDACTED] Investments:

a. Cornerstone, through its agents Kovick and Congdon, offered and sold investment opportunities in the form of a note to 12 investors for an aggregate investment of \$2,300,000 on or about February 24, 2006. The five-year note carried a rate of return of 15 percent. The note indicated it was securitized by real property in Missoula County, Montana. The recipient of the investment proceeds is identified as [REDACTED] (Exhibit 31: [REDACTED] Notes/Assignment at 1-2.)

b. In connection with the Snavely transaction, Cornerstone, through its agents Kovick and Congdon, assigned to five individual investors a note Cornerstone held in the amount of \$270,000. The original note was for a five-year term and carried a rate of return of 15 percent. The assignment indicates it was securitized by a mortgage

on real property in Missoula County, Montana. (Exhibit 31: [REDACTED] Notes/Assignment at 3-6.)

64. [REDACTED] investment: Cornerstone, through its agent Congdon, offered and sold an investment opportunity in the form of a note to two investors for an aggregate investment of \$145,000 in or near July 2008. The five-year note promised a rate of return on the investment of 14 percent. The note indicates it was securitized by real property in Missoula County, Montana. The recipient of the investment proceeds is identified as [REDACTED] (Exhibit 32: [REDACTED] Note.)

65. [REDACTED] Investment: Cornerstone, through its agents Kovick and Congdon, offered and sold an investment opportunity in the form of a note to an individual investor for an investment of \$182,000 in or near February 2008. The three-year note carried a 12 percent rate of return. The note indicates it was securitized by real property in Lake and Cascade Counties, Montana. The recipient of the investment proceeds is identified as [REDACTED] (Exhibit 33: [REDACTED] Note.)

From the foregoing Findings of Fact, the Commissioner makes the following:

CONCLUSIONS OF LAW

1. The Commissioner has jurisdiction over this matter pursuant to Mont. Code Ann. §§ 30-10-102, 30-10-107, 30-10-201, 30-10-202, 30-10-301, 30-10-304, 30-10-305, and 30-10-307.

2. The administration of the Securities Act of Montana (Act), Mont. Code Ann. § 30-10-101, et seq., is under the supervision and control of the Commissioner. Mont. Code Ann. § 30-10-107.

3. Pursuant to Mont. Code Ann. §§ 30-10-102 and 30-10-309, the Commissioner is required to administer the Act to protect investors, persons engaged in securities transactions, and the public interest, including administration of restitution dollars.

4. Respondents are each a “person” as defined by Mont. Code Ann. § 30-10-103(16).

5. The definition of a “security” under the Act includes notes and investment contracts. Mont. Code Ann. § 30-10-103(22).

6. The instruments offered and/or sold by Respondents were notes and investment contracts, and as such constituted securities under Mont. Code Ann. § 30-10-103(22).

7. Unless an exemption applies, it is unlawful to issue unregistered securities in the state of Montana. Mont. Code Ann. § 30-10-202.

8. Respondents each offered and/or sold securities not properly registered in Montana, in violation of Mont. Code Ann. § 30-10-202.

9. It is unlawful for a person to transact securities business in the state of Montana as a broker-dealer or salesperson while not registered to do so. Mont. Code Ann. § 30-10-201(1).

10. Respondents solicited investors by offering and/or selling securities in Montana while not being registered to transact business as a broker-dealer or salesperson in the state of Montana, in violation of Mont. Code Ann. § 30-10-201(1).

11. Operation of a pyramid promotional scheme is unlawful under Mont. Code Ann. § 30-10-325.

12. A Ponzi scheme is a specific type of pyramid promotional scheme "in which a person makes payments to investors from money obtained from later investors, rather than from any profits or other income" generated from a purported investment. Mont. Code Ann. § 30-10-324(6)(b).

13. Respondents each operated a Ponzi scheme in this matter, in violation of Mont. Code Ann. § 30-10-325.

14. It is unlawful for any person, in connection with the offer or sale of any security, directly or indirectly, in, into, or from the State of Montana, to make any untrue statement of material fact or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading. Mont. Code Ann. § 30-10-301(1)(b).

15. Respondents each failed to inform clients of their status as unregistered securities salespersons, in violation of Mont. Code Ann. § 30-10-301(1)(b).

16. Respondents each failed to inform investors that the notes they were offering and/or selling were not registered as securities with the Office of the Commissioner of Securities and Insurance, Montana State Auditor (CSI), in violation of Mont. Code Ann. § 30-10-301(1)(b).

17. Respondents misrepresented to clients that a large portion of their investment would be held in escrow when, in fact, such portion was not escrowed, in violation of Mont. Code Ann. § 30-10-301(1)(b).

18. It is unlawful for any person, in connection with the offer or sale of any security, directly or indirectly, in, into, or from the state of Montana, to engage in any act, practice, or course of business that operates or would operate as a fraud or deceit upon any person. Mont. Code Ann. § 30-10-301(1)(c).

19. Respondents each failed to inform clients of their unregistered status as securities salespersons, in violation of Mont. Code Ann. § 30-10-301(1)(c).

20. Respondents each failed to inform investors that the securities they were offering and/or selling were not registered as securities with the CSI, in violation of Mont. Code Ann. § 30-10-301(1)(c),

21. Respondents each misrepresented to clients that a large portion of their investment would be held in escrow when in fact such portion was not escrowed and was instead commingled with other accounts, in violation of Mont. Code Ann. § 30-10-301(1)(c).

From the foregoing Findings of Fact and Conclusions of Law, the Commissioner issues the following:

ORDER

1. The penalties proposed by the CSI and the Hearing Examiner for Respondents' violations of the Montana Securities Code are hereby approved and accepted.

2. Pursuant to Mont. Code Ann. § 30-10-201(13)(b) and (g), each of the Respondents is permanently banned from registration in Montana as a securities: broker-dealer, salesperson, investment advisor, as well as investment advisor representative.

3. Pursuant to Mont. Code Ann. § 30-10-309, each of the Respondents shall pay restitution as provided in Exhibit A, attached hereto, and incorporated by reference herein. Such amounts reflected in Exhibit A must be offset by any amount the victim(s) has/have already received either from any of the Respondents, from Congdon, or from other sources. Other sources include, but are not limited to, payments received from defaults, payments received from foreclosures, or payments made to pay off any notes. If the respective note has already been paid off, then the Respondents are not responsible for making restitution to the respective victim(s).

The Respondents must submit to the CSI proper documentation showing that the victim(s) has/have received payments on their respective notes and such documentation must meet the satisfaction of the CSI. After review of the documentation or without receiving documentation, the CSI must determine the ultimate amount of restitution owed to each victim, but in no event shall the amount owed the respective victim exceed the amount listed in Exhibit A for that respective victim. Pursuant to Mont. Code Ann. § 30-10-307(2), each of the Respondents is jointly and severally liable for the restitution amount.

4. Pursuant to Mont. Code Ann. § 30-10-305(3), Respondents are hereby fined \$1,000 for each of the 64 violations of Mont. Code Ann. § 30-10-202. The collective fine in the total amount of \$64,000 is reflective of the 64 notes the Respondents issued.

5. Pursuant to Mont. Code Ann. § 30-10-305(3), Respondents are hereby fined \$1,000 for each of the 64 violations of Mont. Code Ann. § 30-10-19 201(1). The collective fine in the total amount of \$64,000 is reflective of the 64 notes the Respondents issued.

6. Pursuant to Mont. Code Ann. § 30-10-325(3), Respondents are hereby fined \$10,000 for violating Mont. Code Ann. § 30-10-325.

7. Pursuant to Mont. Code Ann. § 30-10-305(3), Respondents are hereby fined \$1,000 for each of the 64 violations of Mont. Code Ann. § 30-10-301(1)(b). The collective fine in the total amount of \$64,000 is reflective of the 64 notes the Respondents issued.

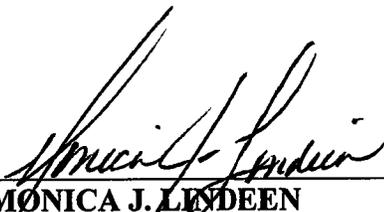
8. Pursuant to Mont. Code Ann. § 30-10-305(3), Respondents are hereby fined \$1,000 for each of the 64 violations of Mont. Code Ann. § 30-10-301(1)(c). The collective total fine amount of \$64,000 is reflective of the 64 notes the Respondents issued.

9. The fine amounts in this Order are levied against the Respondents collectively. Pursuant to Mont. Code Ann. § 30-10-307(2), each of the Respondents is jointly and severally liable for each fine amount levied pursuant to this Order. The total fine liability (\$266,000) of all Respondents shall be reduced by payments any of the Respondents make in resolving the fine. Additionally, the fine amounts shall be reduced on a dollar-for-dollar basis by any and all amounts any of the Respondents pay in restitution.

10. All fines levied in this Order are due within two years of the date of this Order.

11. For failure to file exceptions to the Hearing Examiner's Proposed Findings of Fact and Conclusions of Law within 30 days of the same, the Respondents have failed to exhaust their administrative remedies, and forfeited their right to judicial review of this Final Agency Decision and Order pursuant to Mont. Code Ann. § 2-4-702.

DATED this 12th day of September, 2012.



MONICA J. LINDEEN
Commissioner of Securities and Insurance
Montana State Auditor

CERTIFICATE OF SERVICE

I do hereby certify I served a copy of the foregoing Final Agency Decision and Order upon all parties of record on this 3th day of September, 2012, by mailing or hand delivering a copy thereof to:

Jesse Laslovich
Chief Legal Counsel
Office of the Commissioner of Securities
and Insurance, Montana State Auditor
840 Helena Avenue
Helena, MT 59601

Keith Kovick
76 Sunrise Drive
Polson, MT 59860

K & B Investments, LLC
c/o Robert Congdon
35477 South Hills Drive
Polson, MT 59860

Cornerstone Financial Corporation
35477 South Hills Drive
Polson, MT 59860

A handwritten signature in cursive script, appearing to read "Lisa Monroe", is written over a horizontal line.

<u>Investor Name(s)</u>	<u>Investment</u>	<u>Investor Amount</u>	<u>Comments</u>
[REDACTED]	[REDACTED]	\$ 130,000.00	
[REDACTED]	[REDACTED]	\$ 42,800.00	
[REDACTED]	[REDACTED]	\$ 33,750.00	
[REDACTED]	[REDACTED]	\$ 76,550.00	
B.K. [REDACTED]	[REDACTED]	\$ 195,000.00	
B. [REDACTED]	[REDACTED]	\$ 115,000.00	
P.C.A. [REDACTED]	[REDACTED]	\$ 75,000.00	
F.B. [REDACTED]	[REDACTED]	\$ 32,500.00	
F.B. and M.B. [REDACTED]	[REDACTED]	\$ 230,000.00	
M.B. [REDACTED]	[REDACTED]	\$ 32,500.00	
T.B. [REDACTED]	[REDACTED]	\$ 99,975.00	
[REDACTED]	[REDACTED]	\$ 99,975.00	
[REDACTED]	[REDACTED]	\$ 199,950.00	
C.R.B. and M.B. [REDACTED]	[REDACTED]	\$ 130,000.00	
K.B. [REDACTED]	[REDACTED]	\$ 29,979.00	
K.B. and D.B. [REDACTED]	[REDACTED]	\$ 45,600.00	
D.B. and J.B. [REDACTED]	[REDACTED]	\$ 64,500.00	
C. [REDACTED]	[REDACTED]	\$ 63,000.00	
[REDACTED]	[REDACTED]	\$ 75,000.00	
B.C. [REDACTED]	[REDACTED]	\$ 21,000.00	
D.C. [REDACTED]	[REDACTED]	\$ 26,000.00	
[REDACTED]	[REDACTED]	\$ 46,000.00	
[REDACTED]	[REDACTED]	\$ 83,400.00	
[REDACTED]	[REDACTED]	\$ 155,400.00	
C.F. [REDACTED]	[REDACTED]	\$ 65,000.00	
L.C. [REDACTED]	[REDACTED]	\$ 33,750.00	
J.C. and A.C. [REDACTED]	[REDACTED]	\$ 30,000.00	
[REDACTED]	[REDACTED]	\$ 5,400.00	
[REDACTED]	[REDACTED]	\$ 35,400.00	
B.C. [REDACTED]	[REDACTED]	\$ 60,000.00	
S.C. [REDACTED]	[REDACTED]	\$ 12,000.00	
A.D. and D.D. [REDACTED]	[REDACTED]	\$ 30,000.00	
[REDACTED]	[REDACTED]	\$ 34,950.00	
[REDACTED]	[REDACTED]	\$ 64,950.00	
D.D. [REDACTED]	[REDACTED]	\$ 195,000.00	
[REDACTED]	[REDACTED]	\$ 200,025.00	
[REDACTED]	[REDACTED]	\$ 91,865.00	

Exhibit A

		\$	200,025.00
		\$	686,915.00
D.D. and T.D.		\$	97,500.00
D.D. and C.D.		\$	30,400.00
J.D. and G.D.		\$	74,900.00
		\$	47,550.00
		\$	52,500.00
		\$	44,750.00
		\$	34,650.00
		\$	254,350.00
E.S.		\$	182,000.00
S.E.		\$	75,000.00
E.E.		\$	98,450.00
		\$	50,400.00
		\$	5,025.00
		\$	39,960.00
		\$	193,835.00
E.T.		\$	96,300.00
S.E.		\$	50,000.00
E.		\$	130,000.00
		\$	300,000.00
		\$	225,000.00
		\$	575,000.00
		\$	1,230,000.00
C.F.		\$	9,975.00
		\$	10,710.00
		\$	20,685.00
G.F.		\$	25,000.50
		\$	35,000.00
		\$	10,080.00
		\$	70,080.50
S.F.		\$	40,000.00
		\$	50,000.00
		\$	40,000.00
		\$	35,129.00
		\$	165,129.00
H.G. and M.G.		\$	11,000.00
T.G. and M.G.		\$	39,000.00
G.		\$	32,100.00
		\$	87,263.00
		\$	119,363.00
T.G.		\$	64,200.00
		\$	111,875.00
		\$	40,950.00
		\$	217,025.00

R.H.	[REDACTED]	\$	27,375.00
G.H.	[REDACTED]	\$	49,950.00
P.H.	[REDACTED]	\$	55,000.00
J.H. and J.H.	[REDACTED]	\$	75,000.00
R.H.	[REDACTED]	\$	249,975.00
	[REDACTED]	\$	299,770.00
	[REDACTED]	\$	549,745.00
D.H. and S.H.	[REDACTED]	\$	375,000.00
J&MC	[REDACTED]	\$	184,000.00
T.J. and M.J.	[REDACTED]	\$	24,975.00
M.J. and M.J.	[REDACTED]	\$	70,300.00
	[REDACTED]	\$	50,001.00
	[REDACTED]	\$	30,000.00
	[REDACTED]	\$	19,950.00
	[REDACTED]	\$	26,850.00
	[REDACTED]	\$	34,650.00
	[REDACTED]	\$	231,751.00
L.K.	[REDACTED]	\$	9,975.00
B.K.	[REDACTED]	\$	40,000.00
	[REDACTED]	\$	20,000.00
	[REDACTED]	\$	20,000.00
	[REDACTED]	\$	30,000.00
	[REDACTED]	\$	110,000.00
KTM, LLC	[REDACTED]	\$	506,000.00
C.K. and J.K.	[REDACTED]	\$	85,500.00
	[REDACTED]	\$	160,500.00
	[REDACTED]	\$	246,000.00
C.M.	[REDACTED]	\$	50,000.00
R.N.	[REDACTED]	\$	72,500.00
D.N. and J.N.	[REDACTED]	\$	50,001.00
	[REDACTED]	\$	100,000.00
	[REDACTED]	\$	100,000.00
	[REDACTED]	\$	150,000.00
	[REDACTED]	\$	60,000.00
	[REDACTED]	\$	80,000.00
	[REDACTED]	\$	45,000.00
	[REDACTED]	\$	150,120.00
	[REDACTED]	\$	735,121.00
O. & W	[REDACTED]	\$	44,750.00
	[REDACTED]	\$	34,650.00
	[REDACTED]	\$	79,400.00
V.O.	[REDACTED]	\$	72,500.00

J.O. and D.M.

\$ 100,000.00

K.P. and S.P.

\$ 15,000.00
\$ 50,001.00
\$ 15,150.00
\$ 80,151.00

S.P.

\$ 4,699.00

Q.S.

\$ 65,000.00
\$ 150,000.00
\$ 215,000.00

Q.W.W.

\$ 307,500.00
\$ 249,975.00
\$ 200,025.00
\$ 91,865.00
\$ 849,965.00

C.R. and K.R.

\$ 35,000.00
\$ 34,200.00
\$ 9,999.50
\$ 40,275.00
\$ 13,860.00
\$ 133,334.50

K.R.

\$ 4,699.00

R.T.E.

\$ 200,090.00

L.R.

\$ 4,699.00

K.R.

\$ 35,310.00
\$ 43,500.00
\$ 228,225.00
\$ 40,950.00
\$ 75,000.00
\$ 65,000.00
\$ 5,000.00
\$ 30,000.00
\$ 522,985.00

combined with River Terrace Estate, Inc.

D.R. and P.R.

\$ 25,000.00
\$ 35,000.00
\$ 50,000.00
\$ 110,000.00

C.R.

\$ 299,600.00
\$ 43,500.00
\$ 150,000.00
\$ 202,500.00
\$ 73,838.00
\$ 769,438.00

R.T.

\$ 64,200.00
\$ 199,500.00
\$ 100,000.00
\$ 40,000.00
\$ 50,000.00
\$ 40,000.00
\$ 52,500.00

		\$	44,750.00
		\$	44,100.00
		\$	33,000.00
		\$	35,000.00
		\$	150,000.00
		\$	55,000.00
		\$	15,000.00
		\$	923,050.00
S.H.		\$	37,500.00
J.S.		\$	140,000.00
P.S.		\$	101,250.00
		\$	50,000.00
		\$	151,250.00
R.S. and C.S.		\$	75,001.50
		\$	101,250.00
		\$	50,000.00
		\$	226,251.50
S.		\$	207,000.00
A.T.		\$	120,000.00
B.T. and B.T.		\$	140,000.00
		\$	45,000.00
		\$	185,000.00
P.T.		\$	45,000.00
T.E.		\$	75,000.00
D.T.		\$	75,000.00
		\$	115,000.00
		\$	190,000.00
S.U.		\$	44,750.00
W.A.		\$	150,000.00
		\$	230,000.00
		\$	380,000.00
K.W. and M.W.		\$	65,000.00
		\$	37,500.00
		\$	102,500.00