Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

2009

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan; or
- [X] a single-employer plan;
- [ ] a DFE (specify) ____

B This return/report is:
- [ ] the first return/report;
- [ ] the final return/report;
- [ ] an amended return/report;
- [ ] a short plan year return/report (less than 12 months).

C If the plan is a collectively-bargained plan, check here. . . . . ▶ [ ]

D Check box if filing under:
- [X] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
CORNERSTONE MORTGAGE 401(K) PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 01/01/2007

2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.)
CORNERSTONE MORTGAGE COMPANY

1177 WEST LOOP SOUTH #200
HOUSTON, TX 77027

2b Employer Identification Number (EIN)
76-0236067

2c Sponsor's telephone number
800-228-4411

2d Business code (see instructions)
522292

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/05/2010	DEDE GOODWIN
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/05/2010	DEDE GOODWIN
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address (if same as plan sponsor, enter "Same")
CORNERSTONE MORTGAGE COMPANY

1177 WEST LOOP SOUTH #200
HOUSTON, TX 77027

3b Administrator's EIN
76-0236067

3c Administrator's telephone number
800-228-4411

4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:

a Sponsor's name

4b EIN

4c PN

5	Total number of participants at the beginning of the plan year	**5**	586
6	Number of participants as of the end of the plan year (welfare plans complete only lines **6a, 6b, 6c,** and **6d**).		
a	Active participants	**6a**	609
b	Retired or separated participants receiving benefits	**6b**	0
c	Other retired or separated participants entitled to future benefits	**6c**	40
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	649
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	0
f	Total. Add lines **6d** and **6e**	**6f**	649
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	398
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	39
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
2E 2F 2G 2J 2K 2R 3D

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply)

(1)		Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	Trust
(4)		General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

(1)		Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	Trust
(4)		General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

(1)	X	**R** (Retirement Plan Information)
(2)		**MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
(3)		**SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

(1)	X	**H** (Financial Information)
(2)		**I** (Financial Information – Small Plan)
(3)		___ **A** (Insurance Information)
(4)	X	**C** (Service Provider Information)
(5)		**D** (DFE/Participating Plan Information)
(6)		**G** (Financial Transaction Schedules)

SCHEDULE C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ **File as an attachment to Form 5500.**	**2009** **This Form is Open to Public Inspection.**

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan
CORNERSTONE MORTGAGE 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
CORNERSTONE MORTGAGE COMPANY

D Employer Identification Number (EIN)
76-0236067

Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).. . . . . ☐ Yes ☒ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

FIRST NATIONAL BANK OF OMAHA

47-0259043

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
24	NONE	49591	Yes [X] No [ ]	Yes [X] No [ ]	301	Yes [ ] No [X]

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes [ ] No [ ]	Yes [ ] No [ ]		Yes [ ] No [ ]

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes [ ] No [ ]	Yes [ ] No [ ]		Yes [ ] No [ ]

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received $1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

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(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)

(complete as many entries as needed)

a Name:	**b** EIN:
c Position:	
d Address:	**e** Telephone:

Explanation:

a Name:	**b** EIN:
c Position:	
d Address:	**e** Telephone:

Explanation:

a Name:	**b** EIN:
c Position:	
d Address:	**e** Telephone:

Explanation:

a Name:	**b** EIN;
c Position:	
d Address:	**e** Telephone:

Explanation:

a Name:	**b** EIN;
c Position:	
d Address:	**e** Telephone:

Explanation:

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2009

This Form is Open to Public Inspection

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan
CORNERSTONE MORTGAGE 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
CORNERSTONE MORTGAGE COMPANY

D Employer Identification Number (EIN)
76-0236067

Part I Asset and Liability Statement

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	13357	16197
(2) Participant contributions	1b(2)	35926	44304
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	1661380	1907232
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		3139
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	387694	580297
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	6689611	10199681
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

			(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:			
	(1) Employer securities	1d(1)		
	(2) Employer real property	1d(2)		
e	Buildings and other property used in plan operation	1e		
f	Total assets (add all amounts in lines 1a through 1e)	1f	8787968	12750850
	Liabilities			
g	Benefit claims payable	1g		
h	Operating payables	1h		
i	Acquisition indebtedness	1i		
j	Other liabilities	1j		
k	Total liabilities (add all amounts in lines 1g through1j)	1k	0	0
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	8787968	12750850

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

	Income		(a) Amount	(b) Total
a	**Contributions:**			
	(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)	567589	
	(B) Participants	2a(1)(B)	1817224	
	(C) Others (including rollovers)	2a(1)(C)	277794	
	(2) Noncash contributions	2a(2)		
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		2662607
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	4552	
	(B) U.S. Government securities	2b(1)(B)		
	(C) Corporate debt instruments	2b(1)(C)		
	(D) Loans (other than to participants)	2b(1)(D)	29762	
	(E) Participant loans	2b(1)(E)		
	(F) Other	2b(1)(F)		
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		34314
	(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
	(B) Common stock	2b(2)(B)		
	(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	166076	
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		166076
	(3) Rents	2b(3)		
	(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
	(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		1698475
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		4561472
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	541152	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		541152
f Corrective distributions (see instructions)	2f		7847
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)	11126	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)	38465	
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		49591
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		598590
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		3962882
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) [ ] Unqualified (2) [ ] Qualified (3) [X] Disclaimer (4) [ ] Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? [X] Yes [ ] No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: KOLKHORST & KOLKHORST CPAS (2) EIN: 76-0171984

d The opinion of an independent qualified public accountant is **not attached** because:

(1) [ ] This form is filed for a CCT, PSA, or MTIA. (2) [ ] It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

		Yes	No	Amount
a	Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a		X	
b	Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	4b		X	
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e	Was this plan covered by a fidelity bond?	4e	X		500000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		X	
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? If yes, enter the amount of any plan assets that reverted to the employer this year ☐ **Yes** ☒ **No** **Amount:**

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	**5b(2)** EIN(s)	**5b(3)** PN(s)

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2009

This Form is Open to Public Inspection.

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan
CORNERSTONE MORTGAGE 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
CORNERSTONE MORTGAGE COMPANY

D Employer Identification Number (EIN)
76-0236067

Part I Distributions

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions **1** 0

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 23-3060382

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year. **3**

Part II Funding Information (If the plan is not subject to the minimum funding requirements of section of 412 of the Internal Revenue Code or ERISA section 302, skip this Part)

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 **a** Enter the minimum required contribution for this plan year **6a**

b Enter the amount contributed by the employer to the plan for this plan year **6b**

c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) **6c**

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

Part III Amendments

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box. ..... ☐ **Increase** ☐ **Decrease** ☐ **Both** ☐ **No**

Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

11 **a** Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

14 Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	**14a**	
b The plan year immediately preceding the current plan year	**14b**	
c The second preceding plan year	**14c**	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	**15a**	
b The corresponding number for the second preceding plan year	**15b**	

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	**16a**	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	**16b**	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

19 If the total number of participants is 1,000 or more, complete items (a) through (c)

a Enter the percentage of plan assets held as:
Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

CORNERSTONE MORTGAGE COMPANY
401(k) PLAN

FINANCIAL STATEMENTS

December 31, 2009

CORNERSTONE MORTGAGE COMPANY 401(k) PLAN
December 31, 2009



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KOLKHORST & KOLKHORST
CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditors' Report

Plan Administrator
Cornerstone Mortgage Company 401(k) Plan
Houston, Texas

We were engaged to audit the financial statements of Cornerstone Mortgage Company 401(k) Plan as of December 31, 2009 and 2008, and for the year ended December 31, 2009, and the supplemental schedule as of and for the year ended December 31, 2009 as listed in the accompanying table of contents. These financial statements and supplemental schedule are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note I, which was certified by First National Bank of Omaha, the trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedule. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of and for the year ended December 31, 2009 and 2008, that the information provided to the plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and schedule taken as a whole. The form and content of the information included in the financial statements and schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Kolkhorst & Kolkhorst

Houston, Texas
September 28, 2010

CORNERSTONE MORTGAGE COMPANY 401(k) PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2009 and 2008

ASSETS	2009	2008
Investments - at fair value		
Money market funds	$ 1,907,232	$ 1,661,380
Mutual funds	10,199,681	6,689,611
Common stock	3,139	-
Loan fund	580,297	387,694
	12,690,349	8,738,685
Contributions receivable		
Employer contributions receivable	16,197	13,357
Participant contributions receivable	44,304	35,926
	60,501	49,283
Net assets available for benefits at fair value	$ 12,750,850	$ 8,787,968

See independent auditors' report and accompanying notes to the financial statements.

CORNERSTONE MORTGAGE COMPANY 401(k) PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
For the year ended December 31, 2009

ADDITIONS TO NET ASSETS		
Investment income		
Net appreciation in fair value of investments	$	1,698,475
Money market interest		4,552
Mutual funds dividends		166,076
Participant loan interest		29,762
Total investment income		1,898,865
Contributions		
Employer		567,589
Participants		1,817,224
Rollovers		277,794
Total contributions		2,662,607
TOTAL ADDITIONS		4,561,472
DEDUCTIONS FROM NET ASSETS		
Benefits paid to participants		541,152
Corrective distributions		7,847
Administrative and other expenses		49,591
TOTAL DEDUCTIONS		598,590
NET INCREASE		3,962,882
NET ASSETS AVAILABLE FOR BENEFITS		
Beginning of year		8,787,968
End of year	$	12,750,850

See independent auditors' report and accompanying notes to the financial statements.

NOTE A - DESCRIPTION OF THE PLAN

The following description of Cornerstone Mortgage Company 401(k) Plan (the "Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan established January 1, 2007, covering all employees of Cornerstone Mortgage Company (the "Company") and its affiliates who have attained the age of 18. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA) and subsequent related amendments and revisions. The Plan's trustee is First National Bank of Omaha.

Contributions

Participants may elect to defer a percentage of eligible compensation, as defined by the Plan, subject to federal limitations. Participants who have attained age 50 before the end of the calendar year are eligible to make additional catch up contributions. Participants may also contribute amounts representing distributions from other qualified plans. Participants direct the investing of the contributions in any of the Plan's available investment options. The Company makes matching contributions to all eligible participants equal to 50% of the first 6% of base compensation that a participant contributes to the Plan. The matching Company contribution is invested at the participant's directions. Contributions are subject to certain limitations. The Company made matching contributions of $681,141 less applied forfeitures of $113,552 to the Plan for the year ended December 31, 2009.

Participant Accounts

Each participant's account is credited with the participant and employer contributions and allocation of the plan earnings. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Expenses

Administrative expenses may be paid from the Plan, unless some or all are paid by the Company. Expenses paid by the Plan are generally loan set-up fees, recordkeeping fees and administrative fees. The Company incurs expenses for the audit and tax return preparation for the Plan.

NOTE A - DESCRIPTION OF THE PLAN (continued)

Vesting

Participants are always 100% fully vested in their voluntary contributions, including rollover contributions, plus actual earnings thereon. Vesting in the Company matching contributions is based on years of continuous service as follows:

Years of Vesting Service	Vested Percentage
Less than two years	0%
Two years	20%
Three years	40%
Four years	60%
Five years	80%
Six or more years	100%

Payment of Benefits

Subsequent to termination of service, death, disability or retirement, a participant whose vested benefit does not exceed $5,000 will receive one lump sum distribution as soon as administratively feasible. For participants whose vested benefit in the Plan does exceed $5,000 several distribution options are available. Other withdrawals from participants' account balances may be made under certain circumstances as defined in the Plan document.

Forfeiture Accounts

The Plan stipulates that forfeitures from non-vested participant accounts should first be used to reduce administrative expenses and then allocated as a reduction of matching contributions for the plan year immediately following the year in which the forfeitures occur. Forfeitures used to reduce administrative expenses were $32,427 and forfeitures used to reduce matching contributions were $113,552 for the year ended December 31, 2009. Forfeitures of $54,238 and $131,737 were available as of December 31, 2009, and 2008, respectively.

Investment Options

The Plan offers several investment options in which the employees may elect to participate. All of the investment options consist of mutual funds and a money market fund.

NOTE A - DESCRIPTION OF THE PLAN (continued)

Participant Loans

Participants may borrow from their fund accounts at a minimum of $1,000 up to a maximum equal to the lesser of $50,000 or fifty percent (50%) of their account balance. However, the $50,000 maximum is reduced by the highest outstanding loan balance the participant had under the Plan during the previous twelve-month period. The loans are secured by the balance in the participants' account and bear interest at prevailing market rates. Principal and interest is paid ratably through regular payroll deductions. Participant loans equaled $580,297 at December 31, 2009.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

FASB Accounting Standards Codification

In June 2009, the FASB issued the FASB Accounting Standards Codification (the Codification), which establishes the Codification as the source of authoritative accounting guidance to be applied in the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The Codification, which changes the referencing of financial standards, became effective for interim and annual periods ending on or after September 15, 2009. The Codification is now the single official source of authoritative U.S. GAAP, superseding existing FASB, American Institute of Certified Public Accountants, Emerging Issues Task Force and related literature. Only one level of authoritative U.S. GAAP now exists. All other literature is considered non-authoritative. The Codification does not change U.S. GAAP. The Plan adopted the Codification during the fiscal year ended December 31, 2009.

Basis of Accounting

The financial statements have been prepared under the accrual method of accounting in conformity with GAAP.

Recently Adopted Accounting Standards

In April 2009, the FASB issued guidance for determining fair value when the volume and level of activity for the asset or liability have significantly decreased and guidance on identifying circumstances that indicate a transaction is not orderly. The adoption of this guidance did not impact the Plan's financial statements.

In May 2009, subsequent event standards were issued by the FASB, establishing the accounting of and disclosure standards for events that occur after the balance sheet date but before financial statements are issued or available to be issued.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Recently Adopted Accounting Standards (continued)

The FASB Accounting Standards Update (ASU) "Fair Value Measurements and Disclosures: *Investments in Certain Entities that Calculate Net Asset Value (NAV) per Share (or Equivalent)*" was issued in September 2009. This update allows the use of net asset value to estimate the fair value of certain alternative investments. The adoption of this update did not impact the Plan's financial statements.

In January 2010, the FASB issued a standard to improve disclosures about fair value measurements. Certain provisions are effective for years beginning after December 15, 2009, while other provisions are effective for periods beginning after December 15, 2010.

Investment Valuation and Income Recognition

Following is a description of the valuation methodologies used for assets measured at fair value.

Money market fund: Valued at stated value.

Mutual funds: Valued at the net asset value of shares held by the Plan at year end.

Common Stock: Valued at quoted price from a national securities exchange.

Loan fund: Valued at amortized cost, which approximates fair value.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Benefit Payments

Benefits are recorded when paid.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires the plan administrator to make estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

NOTE C - INVESTMENTS

The following table presents the fair values of the investments. Investments that represent 5% or more of the Plan's net assets are separately identified.

	December 31, 2009	December 31, 2008
American Euro Pacific Growth Fund	$ 935,610	$ 539,614
Goldman Sachs Prime Oblig Fund	1,907,232	1,661,380
MFS Bond Fund	892,939	516,422
MFS International Value Fund	753,704	-
PIMCO Total Return	-	507,023
Sequoia Fund	1,738,389	1,314,774
T Rowe Price Equity Income Fund	1,311,943	893,407
Weitz Short Intermediate Income Fund	1,020,833	682,717
Other Investments Less Than 5% of Plan Net Assets	4,129,699	2,623,348
	$ 12,690,349	$ 8,738,685

During 2009, the Plan's investments in mutual funds (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value by $1,698,475.

NOTE D - FAIR VALUE MEASUREMENTS

ASC Topic 820 (formerly SFAS 157) establishes a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under ASC Topic 820 are described below:

Level 1 Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 Quoted prices in markets that are not considered to be active for financial instruments for which all the significant inputs are observable, either directly or indirectly.

Level 3 Prices determined using significant unobservable inputs that are significant to the fair value measurement.

NOTE D - FAIR VALUE MEASUREMENTS (continued)

The following table presents the Plan's hierarchy for its assets measured at fair value on a recurring basis as of December 31, 2009:

	Level 1	Level 2	Level 3	Total
Money market funds	$ 1,907,232	$ -	$ -	$ 1,907,232
Mutual funds	10,199,681	-	-	10,199,681
Common stock	3,139	-	-	3,139
Loan fund	-	-	580,297	580,297
Total investments at fair value	$ 12,110,052	$ -	$ 580,297	$ 12,690,349

The following table presents the Plan's hierarchy for its assets measured at fair value on a recurring basis as of December 31, 2008:

	Level 1	Level 2	Level 3	Total
Money market fund	$ 1,661,380	$ -	$ -	$ 1,661,380
Mutual funds	6,689,611	-	-	6,689,611
Common stock	-	-	-	-
Loan fund	-	-	387,694	387,694
Total investments at fair value	$ 8,350,991	$ -	$ 387,694	$ 8,738,685

The following table lists the summary of changes in the fair value of the Plan's Level 3 assets for the year ended December 31, 2009:

	Loan Fund	
	2009	2008
Balance, beginning of year	$ 387,694	$ 537,849
Net realized capital gains (losses)	29,762	40,317
Purchases, sales, issuances and settlements (net)	162,841	(190,472)
Balance, end of year	$ 580,297	$ 387,694

Gains and losses (realized and unrealized) included in changes in net assets available for benefits for the year ended December 31, 2009 are reported in net depreciation in fair value of investments.

NOTE E - TAX STATUS

The Company has adopted a prototype non-standardized profit sharing plan, which obtained its latest determination letter on March 31, 2008, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. The Plan has been amended since receiving that determination letter. However, the plan administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the Plan.

NOTE F - RELATED PARTY TRANSACTIONS

Audit and tax return preparation fees of the Plan are to be paid by the Company. The Plan is not responsible for reimbursing the Company for any fees paid by the Company.

NOTE G - PLAN TERMINATION

Although the Company has expressed no such intention, the Plan may be terminated at the Company's election. In the event of plan termination, all plan benefits would become 100% vested and payable to the participants in accordance with plan provisions.

NOTE H - RISK AND UNCERTAINTIES

The Plan invests in various investments securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits.

NOTE I - INFORMATION PREPARED AND CERTIFIED BY THE TRUSTEE

The following information included in the accompanying financial statements and supplemental schedule was obtained from data that has been prepared and certified to as complete and accurate by the trustee.

Investments - at fair value	$	12,690,349
Net appreciation in fair value of investments	$	1,698,475
Money market fund interest	$	4,552
Mutual fund dividends	$	166,076
Participant loan interest	$	29,762

NOTE J - SUBSEQUENT EVENTS

The Plan has evaluated subsequent events for recognition and disclosure through the date of issuance of the financial statements.

SUPPLEMENTAL SCHEDULE

CORNERSTONE MORTGAGE COMPANY 401(k) PLAN
SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES
December 31, 2009
EIN: 76-0236067
Plan #: 001

Schedule H, Line 4i - Schedule of Assets Held for Investment Purposes at December 31, 2009

(a)	(b)	(c)	(d)	(e)
	Identity of issuer, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par or maturity value	Cost	Current value
	American Euro Pacific Growth Fund	Mutual Fund		$ 935,610
	Dreyfus Premier Structure Mid-Cap Fund	Mutual Fund		266,578
	Federated Kaufman Small Cap Fund	Mutual Fund		272,754
	Fidelity Advisors High Income Fund	Mutual Fund		123,298
	Goldman Sachs Large Value A Fund	Mutual Fund		209,539
	Goldman Sachs Prime Oblig Fund	Money Market		1,907,232
	Hodges Fund	Mutual Fund		403,226
	MFS Bond Fund	Mutual Fund		892,939
	MFS International Value Fund	Mutual Fund		753,704
	MFS International Growth Fund	Mutual Fund		135,245
	PIMCO Total Return	Mutual Fund		602,525
	Pacific Capital Small Cap Fund	Mutual Fund		304,418
	Sequoia Fund	Mutual Fund		1,738,389
	T Rowe Price Equity Income Fund	Mutual Fund		1,311,943
	T Rowe Price Mid-Cap Value Fund	Mutual Fund		332,727
	Van Kampen Small Cap Value Fund	Mutual Fund		116,746
	Vanguard 500 Index Fund	Mutual Fund		586,295
	Vanguard Total Stock Market Vipers Fund	Mutual Fund		1,409
	Principal Investors Mid-Cap Fund	Mutual Fund		13,624
	Weitz Short Intermediate Income Fund	Mutual Fund		1,020,833
	Columbia Acorn Int'l Select	Mutual Fund		144,657
	Columbia Energy & Nat Res Fund	Mutual Fund		5,459
	Evergreen Precious Metals-A Fund	Mutual Fund		4,458
	India Fund	Mutual Fund		1,535
	Ishares MSCI Brazil Index Fund	Mutual Fund		1,492
	Ishares S&P Latin American 40 Index Fund	Mutual Fund		1,434
	Munder Energy Fund-A	Mutual Fund		5,310
	RS Global Nat Resources Fund	Mutual Fund		6,856
	United States Oil Fund	Mutual Fund		6,678
	Costco Wholesale Corp	Common Stock	1,817	1,775
	Exxon Mobil	Common Stock	1,519	1,364
	Loan Fund	Loan maturities vary; Interest (4.25% to 10.75%)		580,297
				$ 12,690,349

See independent auditors' report and accompanying notes to the financial statements.

Attachment to 2009 Form 5500
Schedule H, line 4i - Schedule of Assets (Held at End of Year)

Plan Name CORNERSTONE MORTGAGE 401(k) PLAN **EIN:** 76-0236067
Plan Sponsor's Name CORNERSTONE MORTGAGE COMPANY **PN:** 001

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	(d) Cost	(e) Current value
	Dreyfus Premier Structure Mid-Cap	Mutual Fund	197,022	266,578
	Goldman Sachs Prime Oblig	Money Market	1,907,232	1,907,232
	Fidelity Advisors High Income	Mutual Fund	104,363	123,298
	Federated Kaufmann Sm Cap	Mutual Fund	213,383	272,754
	Goldman Sachs Large Value A	Mutual Fund	178,404	209,539
	Hodges Fund	Mutual Fund	308,002	403,226
	Columbia Acorn Int'l Select	Mutual Fund	113,857	144,657

Attachment to 2009 Form 5500
Schedule H, line 4i - Schedule of Assets (Held at End of Year)

Plan Name CORNERSTONE MORTGAGE 401(k) PLAN **EIN:** 76-0236067
Plan Sponsor's Name CORNERSTONE MORTGAGE COMPANY **PN:** 001

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	(d) Cost	(e) Current value
	Participant Loans	Interest Rates Range from 10.75% to 4.25%	580,297	580,297
	MFS Bond Fund	Mutual Fund	771,491	892,939
	MFS Int'l Value	Mutual Fund	622,783	753,704
	MFS Int'l Growth	Mutual Fund	108,730	135,245
	T Rowe Price Equity Income	Mutual Fund	1,076,758	1,311,943
	Pacific Capital Sm Cap	Mutual Fund	254,719	304,418
	PIMCO Total Return	Mutual Fund	575,211	602,525

Attachment to 2009 Form 5500
Schedule H, line 4i - Schedule of Assets (Held at End of Year)

Plan Name CORNERSTONE MORTGAGE 401(k) PLAN **EIN:** 76-0236067
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	American Euro Pacific Growth	Mutual Fund	720,664	935,610
	Sequoia	Mutual Fund	1,528,252	1,738,388
	T Rowe Price Mid-Cap Value	Mutual Fund	253,145	332,727
	Vanguard 500 Index	Mutual Fund	480,015	586,295
	Vankampen Small Cap Value	Mutual Fund	95,009	116,746
	Weitz Short Intermediate Income	Mutual Fund	976,429	1,020,833
	Principal Investors Mid-Cap	Mutual Fund	13,180	13,624

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	COLUMBIA ENERGY & NAT RES	MUTUAL FUND	4,067	5,459
	EVERGREEN PRECIOUS METALS-A	MUTUAL FUND	3,247	4,458
	INDIA FUND	MUTUAL FUND	1,527	1,535
	ISHARES MSCI BRAZIL INDEX	MUTUAL FUND	1,523	1,492
	ISHARES S&P LATIN AMERICAN	MUTUAL FUND 40 INDEX	1,434	1,434
	MUNDER ENERGY FUND-A	MUTUAL FUND	4,014	5,310
	RS GLOBAL NAT RESOURCES FD	MUTUAL FUND	5,029	6,856

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	UNITED STATES OIL FUND	MUTUAL FUND	5,162	6,678
	VANGUARD TOTAL STOCK MARKET	MUTUAL FUND VIPERS	1,387	1,409
	COSTCO WHOLESALE CROP	COMMON EQUITY	1,817	1,775
	EXXON MOBIL	COMMON EQUITY	1,519	1,364