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MAIL: P.O. BOX 13167
AUSTIN, TEXAS 78711-3167

208 E. 10th Street, 5th Floor
Austin, Texas 78701
Phone (512) 305-8300
FAX (512) 305-8310
<http://www.ssb.state.tx.us>

KENNETH W. ANDERSON, JR.
MEMBER

SSB Docket No. 99-049

IN THE MATTER OF
JAMES EVERETT SURBER AND
JAMES EVERETT SURBER D.B.A.
CORNERSTONE FINANCIAL, INC.

§
§
§
§

Order No. CDO-1378

TO: James Everett Surber, and
James Everett Surber d.b.a.
Cornerstone Financial, Inc.
11111 Katy Freeway
Suite 910
Houston, Tx. 77079

CEASE AND DESIST ORDER

Be it remembered that James Everett Surber and James Everett Surber d.b.a. Cornerstone Financial, Inc. ("Respondents") appeared before the Securities Commissioner of the State of Texas ("Securities Commissioner") and consented to the entry of this Order and the Findings of Fact and the Conclusions of Law contained herein.

FINDINGS OF FACT

1. Respondents have waived (a) Respondents' right to notice and hearing in this matter; (b) Respondents' right to appear and present evidence in this matter; (c) Respondents' right to appeal this Order; and (d) all other procedural rights granted to Respondents by The Securities Act, TEX. REV. CIV. STAT. ANN. art. 581-1 et seq. (Vernon 1964 & Supp. 1999) ("Texas Securities Act"), and the Administrative Procedure Act, TEX. GOV'T CODE ANN. § 2001.001 et seq. (Vernon Supp. 1999) ("Administrative Procedure Act").
2. Respondents do business as Cornerstone Financial, Inc. Said Cornerstone Financial, Inc. is not registered as either a foreign or domestic corporation

authorized to do business in the State of Texas.

3. Respondents offered for sale securities in the form of investment contracts, evidences of indebtedness, and notes described as guaranteed contracts issued by Chemical Trust; and secured investment products and secured financial products issued by Imperial Consolidated Group and its affiliates.
4. Respondents:
 - a. have offered for sale said securities at a time when said securities were not registered as required by Section 7 of the Texas Securities Act;
 - b. have been dealing in the offer for sale of said securities at a time when Respondents were not properly registered as required by Section 12 of the Texas Securities Act.

CONCLUSIONS OF LAW

1. Investment contracts, evidences of indebtedness, and notes are securities as defined by § 4.A of the Texas Securities Act.
2. Respondents offered for sale securities as defined by § 4.E of the Texas Securities Act.
3. Pursuant to § 23.A of the Texas Securities Act, a basis for the issuance of a Cease and Desist Order exists.

ORDER

1. It is therefore ORDERED that Respondents CEASE AND DESIST from offering for sale the securities designated in the Findings of Fact until said securities are registered or an available offering exemption is used.
2. It is further ORDERED that Respondents CEASE AND DESIST from acting as a dealer until they are registered pursuant to the Texas Securities Act or an available dealer exemption is used.

SIGNED AND ENTERED THIS 16th day of December, 1999.

Denise Voigt Crawford

DENISE VOIGT CRAWFORD
Securities Commissioner

Respondents:



~~James Everett Surber and James Everett
Surber d.b.a. Cornerstone Financial, Inc.~~

Approved as to Form:



David A. Grauer
Director, Enforcement Division

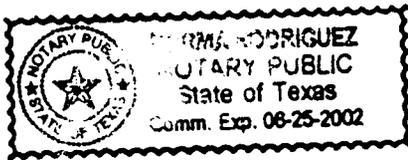
Karen L. Brisco-Richards

Karen L. Brisco-Richards
Attorney, Enforcement Division

ACKNOWLEDGMENT

On the 10th day of December, 1999, James Everett Surber and James Everett Surber d.b.a. Cornerstone Financial, Inc., ("Respondents"), personally appeared before me, executed the foregoing Order and acknowledged that:

1. Respondents have read the foregoing Order;
2. Respondents have been fully advised of their rights under the Texas Securities Act and the Administrative Procedure Act;
4. Respondents knowingly and voluntarily consent to the entry of the foregoing Order and the Findings of Fact and Conclusions of Law contained therein without admitting or denying the same; and
5. Respondents, by consenting to the entry of the foregoing Order, have knowingly and voluntarily waived their rights as set forth therein.



[affix notary seal here]

Norma Rodriguez
Notary Public in and for
the State of TEXAS

My commission expires on: 6-25-2002