

North Carolina Security Breach Reporting Form Pursuant to the Identity Theft Protection Act of 2005

Name of Business Owning or Licensing Information Affected by the Breach: Home Finance and Mortgage Inc.
 Address: 20723 Torrence Chapel Rd. #204
Cornelius, NC 28031
 Telephone: 704-895-5670
 Fax: 704-892-8525
 Email: stephen@mainstate Realty.com

PLEASE SUBMIT FORM TO:
 Consumer Protection Division
 NC Attorney General's Office
 9001 Mail Service Center
 Raleigh, NC 27699-9001
 Telephone: (919) 716-6000
 Toll Free in NC: (877) 566-7226
 FAX: (919) 716-6050

Date Security Breach Reporting Form submitted: 12-1-06
 Date the Security Breach was discovered: 11-24-06
 Estimated number of affected individuals: 125-145
 Estimated number of NC residents affected: 125-145

Name of business maintaining or possessing information that was the subject of the Security Breach, if the business that experienced the Security Breach is not the same entity as the business reporting the Security Breach (pursuant to N.C.G.S. § 75-65(b)): Home Finance and Mortgage, Inc.

Describe the circumstances surrounding the Security Breach and state whether the information breached was in electronic or paper format: loan files were accidentally disposed in dumpster, office in process of closing and were disposed improperly

Regarding electronic information breached, state whether the information breached or potentially breached was password protected or encrypted in some manner. N/A If so, please describe the security measures protecting the information:

Describe any measures taken to prevent a similar Security Breach from occurring in the future: all files have been secured

Date affected NC residents were/will be notified: 12-9-06

If there has been any delay in notifying affected NC residents, describe the circumstances surrounding the delay pursuant to N.C.G.S. § 75-65(a) and (c): N/A

If the delay was pursuant to a request from law enforcement pursuant to N.C.G.S. § 75-65(e), please include the written request or the contemporaneous memorandum.

How NC residents were/will be notified? (pursuant to N.C.G.S. § 75-65(e))
 written notice
 electronic notice (email)
 telephone notice
 substitute notice

Signature: [Signature] Date: 12-1-06
 Contact Person, Title: Stephen Newsome CEO
 Address: 20723 Torrence Chapel Rd, Suite 204, Cornelius NC 28031
 Telephone: 704-895-5670 Fax: 704-892-8525 Email: stephen@mainstate Realty.com