

Office of the Receiver
14555 N. Scottsdale Road, Suite 340
Scottsdale, AZ 85254

March 5, 2010

Re: January - February 2010 Loan Status Report

Dear Investor in Landmarc Capital Partners, LLC:

The Maricopa County Superior Court has appointed the Superintendent of the Arizona Department of Financial Institutions as the Receiver of Landmarc Capital & Investment Company ("Landmarc"). As the Receiver of Landmarc, the Receiver serves as the manager of Landmarc Capital Partners, LLC ("Capital Partners") pursuant to the terms of the Operating Agreement of Capital Partners. Please accept this letter and attachment as the January – February 2010 Loan Status Report.

Attached as Exhibit "A" is a spreadsheet that provides a description of each of the loans or properties held by Capital Partners. Exhibit "A" should be read in concert with the documents that were sent to you in September 2009 (and each Report since that date) which included a spreadsheet of all Capital Partners loans. If you have misplaced the September 2009 document, additional copies are located at the Receiver's website: www.landmarccapital.com.

As of February 28, 2010, there were ninety-five (95) mortgages/loans being managed by the Receiver on behalf of Capital Partners. These ninety-five (95) mortgages/loans have a face value of \$54,734,472 of which \$28,049,820¹ is allocable to Capital Partners. Seventeen of the loans with a face value of \$3,890,796 are current. One (1) mortgage loan with a face value of \$118,500 is greater than thirty (30) days past due. Seven (7) loans with a face value of \$5,298,705 have either been placed in forbearance or have pending forbearance requests before the Receivership. Eighteen (18) loans with a face value of \$11,024,127 are in the foreclosure process. Four (4) loans with a face value of \$3,580,000 are in bankruptcy proceedings.

As of February 28, 2010, there are Forty-Eight (48) Capital Partners REO properties. Thirty-eight of these properties are residential properties in active rental status, of which twenty-eight (28) are rented. Four of the Forty-Eight (48) REO properties are currently listed for sale.

In the month of January, \$57,777 was collected in mortgage payments and \$15,497 in net rental income was received. In the month of February, \$70,673 was collected in mortgage payments and \$31,697 in net rental income was received. Since the inception of the receivership on June 24, 2009, the Receiver has collected \$709,754 for the benefit of Capital Partners. The cash balance held in the Capital Partners Trust account is \$726,194 at February 28, 2010. Total cash assets of Capital Partners as of February 28, 2010 amount to \$194,433.

¹ The present value is, as yet, undetermined

If you would like additional information regarding the overall Receivership Action or additional information regarding a specific loan, please be advised Landmarc's website remains functional and you may review documents filed by the Receiver and specific loan information at www.landmarccapital.com.

ESTABLISHMENT OF UNOFFICIAL INVESTORS ADVISORY COMMITTEE

At a meeting of Capital Partners on January 18, 2010, the Receiver agreed to form an unofficial investor committee that would work with the Receiver and participate, in an informal basis, on management decisions of Capital Partners. On January 25, 2010, the Receiver solicited interest in Capital Partners. An unofficial investors committee has been established. Its membership includes:

Robert V. Hicklin, Jr.
8205 N. Coconino Road
Paradise Valley, AZ 85253

Curtis E. Burton
836 East Camino Diestro
Tucson, AZ 85704

Danny Lemon
9795 N. Golden Sun Drive
Oro Valley, AZ 85737

Donald L. Palmer
7658 W. Wingtip Way
Scottsdale, AZ 85255

Harvey Friedman
7181 E. Camelback Road, #606
Scottsdale, AZ 85251

Jack B. Rubin
3627 E. Indian School Road,
Suite 204a
Phoenix, AZ 85018

RECEIVER'S QUESTIONS AND ANSWERS

As set forth in the last status letter dated January 25, 2010, the Receiver agreed to answer any written questions delivered to the Deputy Receiver until February 15, 2010. The following question was received and the Receivership's answer is set forth below:

Question. A Pool Investor asks by email: Why... should we sell the house [at 5327 E. Orchid Lane, Paradise Valley, AZ]?

I have contacted a person who would be interested in a lease purchase agreement where during the lease he would fix up the house and landscaping then in a few years determine a fair price. This would allow time for the real estate market to recover and let him put in sweat equity to fix up the house he wants.

He only offered **\$1500/month** as a lease, but this would cover taxes and he'd pay insurance and all fix up costs. The hope would be to get \$1.2M in a few years.

Answer: Landmarc Capital Partners has **5.22%** of its funds invested in the 5327 E. Orchid loan which corresponds to **\$62,640**.

Let's consider a few alternatives to maximize the return to the pool investors on the Orchid investment:

1. For purposes of this response let's call the investor that wishes to lease the property the New Investor. Since the New Investor was contacted by the Investor, the New Investor could be encouraged by the Pool Investor to make an immediate offer of \$ 62,640 to buy out the Landmarc Capital Partners' 5.22% interest in the loan. That would get the pool a 100% return.
2. The Pool Investor could encourage the New Investor to make an offer to purchase the property for \$857,500 (The Pool investor suggested that Zillow values the Orchid property at \$857,500).
3. The Pool Investor could encourage the New Investor to offer to lease the property **at a substantially higher amount for a much shorter period of time**. It would require a great deal more than \$1,500 a month to tie up an asset worth \$675,000, as appraised for the Receivership (or as the Pool Investor suggests \$857,500 according to Zillow).

If the Receiver were to consider the Pool Investor's suggestion to accept a lease at its \$1,500 rate, it would take the New Investor **42 monthly payments** to pay an equivalent of just the \$62,640 that the Pool has invested in the loan (not counting any other costs). **The lease offer on the basis of \$1,500 is not meaningful** since it does not include the cost to rehabilitate the property (just to make it habitable those costs include: re-establishing utility services, obtaining a certificate of occupancy, insurance; and payment of real estate taxes); **moreover, it completely fails to equitably balance the needs of the other non-Pool Investors that invested the remaining 94.78% in the original loan.**

The Receivership believes that all investors understand that the Receivership will continue to seek offers on all levels (sales, leases, etc.) to improve the recovery for **all** investors.

UPDATE ON DISTRIBUTIONS AND ACCOUNTING

The Receiver is nearing completion of a forensic recreation of the books and records of Capital Partners to determine (1) the amount of funds advanced by Landmarc Capital & Investment Company on behalf of Capital Partners and not repaid and (2) the amount of funds which were advanced to Capital Partners for distributions by Landmarc Capital & Investment Company. The Receiver expects to have this accounting completed within the next thirty (30) days which will result in the Receiver, as manager of Capital Partners, reimbursing Landmarc Capital & Investment Company, its unreimbursed expenses and other related funds.

Letter to Investors in Landmarc Capital Partners, LLC

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After Landmarc Capital & Investment Company has been reimbursed, the Receiver will prepare to reinstate partial distributions to members of Capital Partners.

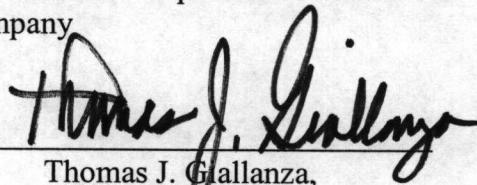
The Receivership thanks you for your continued patience as it has painstakingly had to recreate many of the myriad of financial transactions of Capital Partners and Landmarc Capital & Investment Company to accurately determine the flow of funds between the two entities as well as many other allied entities and to obtain an accurate accounting of the various transactions.

Thank you for your continued patience and cooperation.

Sincerely,

Landmarc Capital Partners, LLC
By: Landmarc Capital & Investment
Company

By:



Thomas J. Gallanza,
Deputy Receiver

TJG:rng

cc: Ryan W. Anderson, Esq.

Exhibit "A"

Landmarc Capital Partners, LLC
 Loan List
 As of 02/28/10

Type	Status	Loan	Ownership	Face Value	Capital Partner's Investment Value
Residential	>30	6080610	100.000%	118,500	118,500
Land	BK	7051066	97.533%	650,000	633,965
Land	BK	8021878	20.790%	1,750,000	363,825
Land	BK	8041902	12.481%	645,000	80,502
Land	BK	8041903	28.037%	535,000	149,998
				3,580,000	1,228,290
Residential	C	6010134	100.000%	45,116	45,116
Residential	C	7030959	100.000%	208,887	208,887
Residential	C	7041009	100.000%	79,513	79,513
Residential	C	7041035	100.000%	259,280	259,280
Residential	C	7071137	100.000%	134,626	134,626
Residential	C	8122005	100.000%	62,725	62,725
Commercial	C	7111834	48.276%	290,000	140,000
Commercial	C	7111825	100.000%	210,000	210,000
Commercial	C	8021881	48.130%	515,000	247,870
Commercial	C	8041911	100.000%	393,750	393,750
Commercial	C	8071950	100.000%	44,997	44,997
Commercial	C	8122001	100.000%	690,000	690,000
Land	C	LC050326	100.000%	45,324	45,324
Residential	C	5120051	100.000%	33,454	33,454
Residential	C	6110825	100.000%	135,575	135,575
Residential	C	7101819	100.000%	117,550	117,550
Residential	C	8122000	100.000%	624,999	624,999
				3,890,796	3,473,666
Commercial	Extension	8061947	39.037%	4,100,000	1,600,517
Land	F	8071954	100.000%	141,000	141,000
Residential	F	6050368	100.000%	158,200	158,200
Residential	Forb Pending	8091984	100.000%	600,000	600,000
Commercial	Forb Pending	8011871	100.000%	97,307	97,307
Residential	Forb Pending	7051091	100.000%	132,528	132,528
Residential	Forb Pending	7071142	100.000%	69,670	69,670
				5,298,705	2,799,222
Commercial	REO	7061130	32.500%	3,360,000	1,092,000
Commercial	REO	7071175	100.000%	303,000	303,000
Commercial	REO	8021886	100.000%	422,500	422,500
Commercial	REO	8081976	53.877%	1,440,000	775,829
Land	REO	7121853	16.361%	14,500,000	2,372,345

Exhibit "A"

Type	Status	Loan	Ownership	Face Value	Capital Partner's Investment Value
Land	REO	8051918	87.910%	530,928	466,738
Residential	REO	EMP08-00	100.000%	58,500	58,500
Residential	REO	EMP09-00	100.000%	73,200	73,200
Residential	REO	EMP09-00	100.000%	74,400	74,400
Residential	REO	EMP09-00	100.000%	72,000	72,000
Residential	REO	EMP09-01	100.000%	72,000	72,000
Residential	REO	EMP09-01	100.000%	67,200	67,200
Residential	REO	EMP09-01	100.000%	58,500	58,500
Residential	REO	EMP09-01	100.000%	75,900	75,900
Residential	REO	EMP09-01	100.000%	66,000	66,000
Residential	REO	EMP09-01	100.000%	74,250	74,250
Residential	REO	EMP09-01	100.000%	63,000	63,000
Residential	REO	EMP09-02	100.000%	74,750	74,750
Residential	REO	EMP09-02	100.000%	67,275	67,275
Residential	REO	EMP09-02	100.000%	54,000	54,000
Residential	REO	EMP09-02	100.000%	66,000	66,000
Residential	REO	EMP09-02	100.000%	59,800	59,800
Residential	REO	EMP09-02	100.000%	54,600	54,600
Residential	REO	EMP09-02	100.000%	67,100	67,100
Residential	REO	EMP09-02	100.000%	66,000	66,000
Residential	REO	EMP09-02	100.000%	64,350	64,350
Residential	REO	EMP09-02	100.000%	57,850	57,850
Residential	REO	EMP09-03	100.000%	74,750	74,750
Residential	REO	EMP09-03	100.000%	60,450	60,450
Residential	REO	EMP09-03	100.000%	59,800	59,800
Residential	REO	EMP09-03	100.000%	72,000	72,000
Residential	REO	EMP09-03	100.000%	65,000	65,000
Residential	REO	EMP09-03	100.000%	70,850	70,850
Residential	REO	EMP09-03	100.000%	65,000	65,000
Residential	REO	EMP09-03	100.000%	65,000	65,000
Residential	REO	EMP09-03	100.000%	58,500	58,500
Residential	REO	LC050521	100.000%	87,000	87,000
Residential	REO	6010124	100.000%	223,300	223,300
Residential	REO	6070533	100.000%	244,143	244,143
Residential	REO	7111829	5.222%	2,460,000	128,461
Residential	REO	7121866	100.000%	82,500	82,500
Under Const	REO	8021885	70.667%	1,500,000	1,060,005
Land	REO	8071957	100.000%	895,000	895,000
Residential	REO	7041032	100.000%	120,000	120,000
Residential	REO	7071161	100.000%	151,450	151,450
Residential	REO	8031890	100.000%	120,000	120,000
Under Const	REO	8081970	90.082%	1,522,500	1,371,498
Under Const	REO	8091988	100.000%	882,000	882,000
				30,822,346	12,775,795
Residential	T	7111830	100.000%	160,574	160,574
Residential	T	LC051114	100.000%	70,722	70,722
Residential	T	7051090	100.000%	155,523	155,523
Residential	T	7030941	100.000%	269,906	269,906

Exhibit "A"

Type	Status	Loan	Ownership	Face Value	Capital Partner's Investment Value
Commercial	T	7061120	48.530%	680,000	330,004
Commercial	T	8081968	100.000%	70,000	70,000
Residential	T	7081784	11.420%	162,000	18,500
Commercial	T	8061935	100.000%	480,000	480,000
Land	T	8031896	32.297%	3,310,000	1,069,031
Land	T	8051927	85.410%	3,297,950	2,816,779
Land	T	8061945	95.960%	495,000	475,002
Residential	T	6030252	100.000%	34,817	34,817
Residential	T	7051074	68.319%	145,656	99,511
Residential	T	7081200	100.000%	200,993	200,993
Residential	T	LC051022	100.000%	229,999	229,999
Residential	T	6060443	40.541%	147,999	60,000
Residential	T	6090690	100.000%	119,986	119,986
Residential	T	8051920	100.000%	993,000	993,000
				11,024,125	7,654,347
				54,734,472	28,049,820