

Law Firm of
**GUTTILLA MURPHY
ANDERSON, PC**

4150 WEST NORTHERN AVENUE
PHOENIX, ARIZONA 85051
(623) 937-2795
FAX (623) 937-6897

Our No. 1157-004

November 23, 2009

Re: November Loan Status Report – Landmarc Capital Partners, LLC.
Landmarc Capital Receivership

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. The Receiver intends to operate Capital Partners in accordance with the terms of the Operating Agreement with the goal of protecting the interests of all the investors of Capital Partners. Please accept this letter and attachment as the November Loan Status Report and overview of the investments of Capital Partners.

STATUS OF CAPITAL PARTNERS LOAN PORTFOLIO

Attached as Exhibit “A” is a spreadsheet that provides a detailed narrative description of each of the loans or properties held by Capital Partners, including the details of recent communication with each borrower. The enclosed Exhibit “A” should be read in concert with the documents that were sent to you in September which included a spreadsheet of all Capital Partners loans as of September 2009. If you have misplaced the documents sent to you in September, additional copies are located at the Receiver’s website: www.landmarccapital.com.

As you can see from the enclosed Exhibit “A”, we have altered our loan status report to provide even more detailed information to Capital Partners investors, including providing more detailed information regarding the status of loan payments and descriptions of legal activities with respect to the loans. In the month of October 2009, \$77,752.00 was collected in mortgage payments from the ninety-six loans. Since the inception of the Receivership on June 24, 2009, \$471,146.00 has been collected by the Receiver for the benefit of Capital Partners. The cash balance in the Capital Partners’ operating account held by the receiver as the manager of Capital Partners is \$ 203,651.31¹.

As of November 16, 2009, there were ninety-six (96) mortgages/loans being managed by the Receiver on behalf of Capital Partners. Of the ninety-six (96) mortgages/loans, forty-eight

¹ This account was styled as a “trust account” in the Receiver’s *Preliminary Report and Recommendations of the Receiver*. Investigation has determined that this account is more accurately described as an operating account.

(48) are current with a face value of \$10,994,660.00. Eight (8) mortgage loans are less than thirty (30) days past due with a face value of \$920,995.00. Seven (7) mortgage loans are more than thirty (30) days past due representing a face value of \$1,113,187.00. Several of these mortgage loans are set for foreclosure in the next month. Twenty (20) mortgage loans are more than ninety (90) days past due and are in foreclosure proceedings representing a face value of \$18,447,283.00. Four (4) mortgage loans are in bankruptcy proceedings with a face value of \$3,580,000.00. Eight (8) mortgage loans have become REO (see discussion below) and one (1) mortgage loan was written off (Loan # 07081788) because Capital Partners held a second lien position and a foreclosure was conducted by the first lien holder. Loan 07081788 will disappear from the assets of Capital Partners in the next status report. 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.

As of November 16, 2009, there are eight (8) REO properties managed by the Receiver as manager of Landmarc Capital Partners². Of these properties two (2) are currently rented, a commercial property producing \$13,345.00 monthly rental income, and a residential property producing \$725.00 in monthly rental income. Six (6) of the REO properties are vacant and are not producing revenue. The Receiver is currently in the process of evicting holdover tenants and each REO property has been examined by representatives of the Receiver to determine its condition and if any insurance claims can be made with respect to damage to these properties. The Receiver is also conducting an analysis to determine the feasibility of rehabilitation of these properties for future rental.

EFFORTS TO TERMINATE THE RECEIVER AS MANAGER OF CAPITAL PARTNERS

As set forth in the October status letter, certain Capital Partner investors desire to remove and replace the Receiver as the manager of Capital Partners. On October 29, 2009, a series of written requests were delivered to the Receiver requesting a meeting of the investors of Capital Partners for "the purpose of removing the current manager and putting a new manager in charge". Since the receipt of these requests and confirmation that they are from Capital Partners members who total more than 10% of the total investments in Capital Partners, the Receiver has begun a dialogue with representatives of this investor group to organize and conduct a meeting of the Capital Partners investors. At the request of these investors, a meeting will be conducted in January 2010. The investor group seeking to remove and replace the Receiver as manager of Capital Partners has asked that any interested investors please contact Mr. Jay Rabins if they want to learn more information about the effort to remove and replace the Receiver as the manager of Capital Partners³:

² As set forth in Exhibit "B" to the September Status letter, Capital Partners owns fractional interests in two of these eight REO properties.

³ The Arizona Department of Financial Institutions as Receiver of Landmarc is providing you Mr. Rabins contact information at the request of the investor group seeking to remove and replace the Receiver as manager of Capital Partners. Nothing in this letter or any other communication should be considered an endorsement of this effort or Mr. Rabins.

Jay Rabins
707 East Northern Avenue
Phoenix, AZ 85020
jrabins@ysfi.com
(602) 343-1705
(602) 343-1710 (fax)

When a date for the meeting of Capital Partners is determined, pursuant to the Operating Agreement of Capital Partners, a formal notice will be delivered to each of you. The meeting notice will contain position statements regarding proposed action to replace the Receiver as manager of Capital Partners. Since the meeting will be held in Phoenix, Arizona, many investors will be able to vote by proxy as set forth in the Operating Agreement of Landmarc Capital Partners. More information regarding proxy voting will be disseminated in future communications.

RESPONSE TO RECEIVER'S RECOMMENDATION
OF NO FUTURE REINVESTMENT IN CAPITAL PARTNERS

As you are aware, the Receiver has recommended rescinding reinvestment agreements between investors and Capital Partners. To date, the Receiver has not received a single objection to his proposal to "not reinvest" principal repayments to Capital Partners in new loans. If you have not done so and you have a reinvestment agreement with Capital Partners and wish to rescind the agreement, please send a letter to the undersigned reflecting your desire to mutually rescind any reinvestment agreement you may have with Capital Partners.

UPDATE UPON RELEASE OF DISTRIBUTIONS TO CAPITAL PARTNERS

As referenced in the October status letter, the Receiver continues to investigate the financial transactions between Landmarc Capital & Investment Company and Capital Partners to determine the exact amount of operating funds of Landmarc Capital & Investment Company transferred to Capital Partners. Once this figure has been determined, the Receiver can move forward distributions to Capital Partners and a resumption of distributions to the investors in Capital Partners.

Thank you for your continued patience and cooperation.

Sincerely,

GUTTILA MURPHY ANDERSON, P.C.


Ryan W. Anderson

RWA:jk
cc: Thomas Giallanza, Deputy Receiver
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