

1 **Guttilla Murphy Anderson**

Ariz. Firm No. 00133300

2 **Ryan W. Anderson** (Ariz. No. 020974)

City North

5415 E. High St., Suite 200

3 Phoenix, Arizona 85054

Email: randerson@gamlaw.com

4 Phone: (480) 304-8300

Fax: (480) 304-8301

5 Attorneys for the Receiver

6 IN THE SUPERIOR COURT FOR THE STATE OF ARIZONA

7 IN AND FOR THE COUNTY OF MARICOPA

8 STATE OF ARIZONA ex rel. THOMAS)
L. WOOD, Superintendent of the)
9 Arizona Department of Financial)
Institutions,)

Cause No. CV2009-020595

PETITION NO. 12

10) PETITION TO APPROVE SETTLEMENT
11) WITH DAVID CRANTZ AND TAMARA
SOMMERFIELD

Plaintiff,

v.

12 LANDMARC CAPITAL &
INVESTMENT COMPANY,

(Assigned to Judge Sam Myers)

13 Defendant.)

14 Thomas L. Wood, Superintendent of the Arizona Department of Financial Institutions
15 and court appointed Receiver of Landmarc Capital & Investment Company ("LCI"),
16 respectfully petitions the Court as follows:

17 1. On June 24, 2009, this Court entered its *Order Appointing Receiver and Order*
18 *to Show Cause*, which appointed the Superintendent of the Arizona Department of Financial
19 Institutions as Receiver of LCI. On July 10, 2009, this Court entered its *Order Appointing*
20 *Permanent Receiver and Injunction* (collectively "Receivership Order").
21

1 2. Pursuant to the Receivership Order, the Receiver may institute, defend,
2 compromise or adjust actions or proceedings in State or Federal Courts, including initiating
3 actions or proceedings or impose constructive trusts, obtain possession or recover judgments
4 with respect to persons or entities who received assets or funds traceable to investors'
5 moneys.

6 3. Since his appointment, the Receiver has conducted an investigation into the
7 operations of LCI for the purpose of locating assets of LCI and developing facts that would
8 support the recovery of LCI assets. The Receiver's investigation has resulted in a settlement
9 of the Receiver's claims against David Crantz ("Crantz") and his wife Tamara Sommerfield
10 ("Sommerfield").

11 4. Crantz was the sole owner, director, president and responsible individual for
12 LCI. The Receiver's investigation determined that certain LCI assets were transferred to
13 Crantz and corporations owned and controlled by Crantz. More specifically, the Receiver
14 determined that certain cash assets of LCI were transferred to Hayden Investments, LLC, an
15 Arizona limited liability company, Hayden Insurance, Ltd, an Anguillan company, Desert
16 Trails, LLC, an Arizona limited liability company and Desert Trails Insurance Company, Ltd,
17 an Anguillan company and Arizona Valuations, LLC, an Arizona limited liability company.

18 5. The Receiver's investigation determined that assets of LCI were transferred to
19 acquire real and personal property located at 14658 North Sam Hill Trail, Hayden ID and an
20 undefined interest in condominiums in Costa Rico.

21

1 6. The Receiver's investigation determined that Crantz executed a promissory
2 note in favor of LCI dated December 31, 2008 in the amount of \$225,000.00 which has never
3 been repaid to LCI.

4 7. While David Crantz and Tamara Sommerfield have denied the truth or validity
5 of the Receiver's claims and findings of his investigation, the Receiver and Crantz and
6 Sommerfield have reached an agreement to resolve the Receiver's claims.

7 8. The proposed settlement agreement with Crantz and Sommerfield results in a
8 series of recoveries to the Estate. The most significant recoveries are:

9 **A. Appointment of Receiver over Hayden Investments LLC, Desert Trails Holdings**
10 **LLC, Arizona Valuation Company LLC,**
11 **Hayden Insurance, LTD and Desert Trails Insurance Co.**

12 9. Under the terms of the settlement, the Superintendent has been appointed the
13 Receiver of Hayden Investments LLC, Desert Trails Holding LLC and Arizona Valuation,
14 LLC; and all assets of the companies, as well as transferring all voting shares and other
15 interests in these companies to the Receiver. The Receiver has determined that during his
16 operation of LCI, Crantz transferred in excess of five million (\$5,000,000.00) to these
17 corporations. The majority of these funds were then utilized to purchase real property and
18 interests in LCI loans. The Receiver believes that adding Hayden Investments LLC, Desert
19 Trails Holding LLC and Arizona Valuation, LLC results in a significant recovery to the
20 Receivership Estate as the Receiver believes the assets of Hayden Investments LLC, Desert
21 Trails Holding LLC and Arizona Valuation, LLC have a value of 2.2 million (\$2,200,000.00).
Crantz has independently stated that the value of the assets of Hayden Investments LLC,

1 Desert Trails Holding LLC is \$3,950,000.00. Pending the approval of this agreement, Crantz
2 and Sommerfield have already executed a stipulation consenting to the appointment of the
3 Receiver over these entities and the Receiver is currently working on liquidating the interests
4 of these entities for the benefit of the Receivership Estate.

5 **B. Recovery of Idaho Property**

6 10. The proposed settlement agreement with Crantz and Sommerfield results in
7 the transfer to the Receiver certain real property and improvements located at 14658 North
8 Sam Hill Trail, Hayden ID 83835 (“Idaho Property”) to the Receiver. The Receiver has
9 determined that the Idaho Property was acquired with assets of LCI, yet titled in the name of
10 Sommerfield. At this time, it is unclear if any equity exists in the Idaho Property.

11 **C. Recovery of Costa Rico Condominiums**

12 11. The proposed settlement agreement with Crantz and Sommerfield results in the
13 transfer to the Receiver any interests that Crantz or Sommerfield may have in condominiums
14 and personal property located on or within the condominiums, if any, located in Costa Rica.
15 The Receiver has determined that assets of LCI were utilized to acquire the Costa Rica
16 Condominiums. The Receiver continues to investigate the transactions related to and the
17 investment in the Costa Rica Condominiums. The Receiver believes there may be other
18 parties who may have acquired an interest in the Costa Rica Condominiums.

19 12. In addition to the recoveries set forth above, certain obligations of Crantz are
20 not forgiven under the terms of the proposed settlement agreement, including a promissory
21 note in favor of LCI executed on December 31, 2008 in the amount of \$225,000.00. The

1 Receiver has however, agreed that after further investigation into the financial condition of
2 Crantz, the Receiver will forebear collection under the promissory note for a period of 3 years
3 from the date of the Settlement Agreement.

4 13. The proposed settlement agreement with Crantz and Sommerfield also contains
5 other provisions including:

6 a. David Crantz agrees not to own or control any interest in any
7 organization licensed or seeking licensure from the Arizona Department of Financial
8 Institutions for a period of three (3) years from the date of the Agreement.

9 b. David Crantz and Tamara Sommerfield agree to acknowledge in the
10 settlement agreement that they have not transferred, encumbered or liquidated any
11 assets or other interests of Landmarc Capital & Investment Company, Hayden
12 Investments LLC, Desert Trails Holding LLC or Arizona Valuation, LLC at any time
13 since June 24, 2009, with the exception of the Warranty Deed recorded on September
14 22, 2009, recording number 2009-23253 in Cochise County.

15 c. David Crantz agrees to cooperate with Receiver's investigation and
16 potential litigation arising out of the operation of Landmarc Capital & Investment
17 Company.

18 d. The Receiver agrees that after the payment of all approved investor and
19 creditor claims and all costs and expenses of the Receivership, David Crantz shall be
20 awarded any surplus funds as the sole shareholder of Landmarc Capital & Investment
21 Company, LLC.

e. The Receiver shall petition this Court for approval of the settlement
agreements and that the agreements are contingent upon the approval of this Court;

f. The Receiver shall release the Parties from any and all claims of any
kind or nature arising out of the Landmarc Receivership;

g. David Crantz and Tamara Sommerfield shall release the Receiver from
any and all claims of any kind or nature arising out of the Landmarc Receivership;

h. The agreements shall be governed by, construed, interpreted, and
enforced in accordance with the laws of the State of Arizona;

i. Any dispute concerning the interpretation of the agreements shall be
submitted to and decided exclusively by this Court.

1 14. The Receiver has agreed, within 5 days of the Court’s approval of the
2 settlement agreement, to execute documents to transfer title to a 2004 Lincoln Aviator
3 (“Aviator”) to Crantz. The Aviator is currently located outside the State of Arizona, is not
4 titled in the State of Arizona and is in an operating condition unknown to the Receiver.

5 **D. Receiver Recommends the Court Approve the Settlement Agreement**

6 15. The Receiver recommends the Court approve the Settlement Agreement
7 attached as Exhibit “A” between the Receiver and Crantz and Sommerfield because it results
8 in the recovery of the known assets of LCI that were transferred to Crantz and Sommerfield
9 that still exist in some form. Additionally, this proposed settlement results in a significant
10 monetary recovery for the Receivership Estate and does not allow Crantz to benefit from use
11 and control of LCI’s assets. Moreover, the inclusion of Hayden Investments LLC, Desert
12 Trails Holding LLC and Arizona Valuation, LLC into the Receivership will increase the
13 number of loans and properties that can be released from the Receivership under current
14 procedural orders. Finally, it cannot be understated that the proposed settlement with Crantz
15 was obtained without the expense of litigation resulting in the recovery of millions of dollars
16 for the Receivership Estate to pay creditors and administrative expenses.

17 16. A condition of this settlement with Crantz and Sommerfield required Crantz
18 and Sommerfield to complete individual detailed financial statements and provide supporting
19 documentation evidencing that Crantz and Sommerfield did not have the financial
20 wherewithal to support a larger settlement or possession of hidden assets that could be
21 utilized to resolve claims of the Receivership Estate. The Receiver has reviewed the financial

1 statements of Crantz and Sommerfield, including an overview of known debts and liabilities
2 and recent tax returns of Crantz and Sommerfield. The financial documentation provided by
3 Crantz and Sommerfield under oath, further supports the Receiver's recommendation that the
4 Court accept this Settlement Agreement because Crantz and Sommerfield do not have the
5 financial ability to provide any other significant monetary recoveries to the Estate.

6 WHEREFORE, the Receiver respectfully requests that the Court enter an order
7 approving the Settlement Agreement between the Receiver and David Crantz and Tamara
8 Sommerfield.

9 Respectfully submitted this 25th day of March, 2010.

10 GUTTILLA MURPHY ANDERSON

11 /s/Ryan W. Anderson
12 Ryan W. Anderson
13 Attorneys for the Plaintiff

14 1157-001(93159)

SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is entered into by and between, Thomas L. Wood, as Receiver of Landmarc Capital & Investment Company ("Receiver"), and David Crantz ("Crantz") and Tamara Sommerfield ("Sommerfield")

Recitals

Whereas on July 10, 2009, the Maricopa County Superior Court appointed the Superintendent of the Arizona Department of Financial Institutions, Thomas L. Wood, as Receiver of Landmarc Capital & Investment Company ("Landmarc") in an action entitled, *State of Arizona ex rel. v. Landmarc Capital & Investment Company*, Maricopa County Superior Court Cause No. CV 2009-020595 ("Receivership Action");

Whereas Crantz is the sole shareholder and Chief Operating officer of Landmarc;

Whereas Crantz is the sole manager and member of Hayden Investments, LLC, an Arizona limited liability company and the sole owner and control person of Hayden Insurance, Ltd, an Anguillan company;

Whereas Crantz is the sole manager and member of Desert Trails, LLC, an Arizona limited liability company and sole owner and control person of Desert Trails Insurance Company, Ltd, an Anguillan company;

Whereas Crantz is the sole manager and member of Arizona Valuations, LLC, an Arizona limited liability company;

Whereas the Receiver has been investigating certain potential claims against Crantz;

Whereas without admitting the truth or validity of any potential claim or defense, the parties desire to settle all claims that the Receiver may assert in connection with this matter.

Terms

NOW, THEREFORE, in consideration of the mutual covenants set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties to this Agreement hereby agree as follows:

1. Crantz consents to the appointment of the Superintendent as Receiver of the assets of certain Arizona entities owned and controlled by Crantz. Accordingly, Crantz has executed a stipulation, in the Receivership Action, for the entry of an order appointing the Superintendent as Receiver of all of the assets of Hayden Investments LLC, Desert Trails Holding LLC and Arizona Valuation, LLC.

2. Crantz and Sommerfield shall assign and transfer all of their voting shares and other interests Hayden Investments LLC, Desert Trails Holding LLC, Arizona Valuation, LLC and the Anguillan insurance companies (Hayden and Desert Trails) to the Receiver upon approval of this Agreement.

3. Crantz and Sommerfield shall execute all deeds and other documents reasonably required by the Receiver to transfer fee title to the real property and improvements located at 14658 North Sam Hill Trail, Hayden ID to Landmarc.

Exhibit "A"

4. Crantz and Sommerfield agree to execute a Bill of Sale transferring some personal property located at 14658 North Sam Hill Trail, Hayden ID. A Bill of Sale will be finalized after an inventory is conducted of the personal property located in 14658 North Sam Hill Trail, Hayden ID. Crantz and Sommerfield agree to complete the inventory not later than 21 business days following the execution of this agreement.

5. Crantz and Sommerfield agree the promissory note executed by Crantz in favor of Landmarc dated December 31, 2008 in the amount of \$225,000.00 remains valid and in full effect. At the time of the execution of this Agreement if, upon the review of Crantz's financial condition it is evident that there is no equity in Crantz's primary residence and insufficient resources to repay \$225,000.00 to Landmarc, the Receiver will agree to forebear collection under the promissory note for a period of 3 years from the date of this Agreement.

6. Crantz and Sommerfield agree to execute all deeds and other documents reasonably required by the Receiver to transfer to the Receiver all of the rights held by Crantz and Sommerfield including title, interests and rents in the Costa Rican condominiums and all related structures and facilities. The Receiver acknowledges that Crantz and Sommerfield do not have sole title and/or interest in said condominiums.

7. Crantz agrees not to own or control any interest in any organization licensed or seeking licensure from the Arizona Department of Financial Institutions for a period of three (3) years from the date of this Agreement.

8. Crantz and Sommerfield hereby agree and acknowledge that they have not transferred, encumbered or liquidated material assets or other material interests of Landmarc Capital & Investment Company, Hayden Investments LLC, Desert Trails Holding LLC or Arizona Valuation, LLC at any time since June 24, 2009, with the exception of the Warranty Deed recorded on September 22, 2009, recording number 2009-23253 in Cochise County.

9. Crantz and Sommerfield have represented to the Receiver that they have limited assets and in support of that representation agree to provide to the Receiver on or before March 22, 2010, (a) copies of their state and federal income tax returns and related schedules and statements for 2008 and (b) personal financial statements as of January 31, 2010, signed under oath on forms provided by the Receiver.

10. David Crantz agrees to cooperate with Receiver's ongoing investigations into Landmarc. However, nothing prohibits Crantz from exercising any of his constitutionally guaranteed rights.

11. Within 5 days of the Court's approval of this Agreement, the Receiver will execute documents to transfer title to the 2004 Lincoln Aviator VIN # 5LMEU68H94ZJ07629 to Crantz. Crantz will be responsible to pay all fees associated with the transfer of the 2004 Lincoln Aviator.

12. The Receiver shall file a petition in the Receivership Action seeking the approval of this Agreement. The provisions contained herein are conditioned upon the approval of the Agreement by the Court in the Receivership Action and the Agreement shall not become effective until and unless so approved. If the Court does not approve this Agreement, the properties and/or assets placed in receivership under Paragraph 1 of this Agreement shall be released. The Receiver will have the right, after appropriate notice to Mr. Crantz and any other affected parties, to ask the Court to place those properties and/or assets in receivership.

13. The Receiver hereby, on his own behalf and on behalf of his attorneys, employees, partners, agents, predecessors, successors, assigns, assignors, and legal representatives, releases and forever discharges Crantz and Sommerfield and their attorneys, employees, agents, predecessors, successors, assigns, assignors, executors, administrators, and legal representatives from any and all claims of any kind or nature related directly or indirectly to Landmarc and/or related directly or indirectly to and/or arising out of the Receivership Action, including without limitation any other potential administrative or civil claims that were made or could have been made in the Receivership Action.

14. Crantz and Sommerfield hereby, on their own behalf and on behalf of their attorneys, employees, partners, agents, predecessors, successors, assigns, assignors, and legal representatives, releases and forever discharges the Receiver, Landmarc and their attorneys, employees, agents, predecessors, successors, assigns, assignors, executors, administrators, and legal representatives from any and all claims of any kind or nature arising out of the Receivership Action, including without limitation any claims that were made or could have been made in the Receivership Action.

15. The Receiver makes no representation that there will be any surplus funds at the conclusion of the administration of the Receivership Estate in *State of Arizona ex rel. v. Landmarc Capital & Investment Company*, Maricopa County Superior Court Cause No. CV 2009-020595, however, after the payment of all approved investor and creditor claims and all costs and expenses of the Receivership, Crantz shall be awarded any surplus funds as the sole shareholder of Landmarc Capital & Investment Company, LLC.

16. The parties hereto acknowledge that this Agreement is being made by each party of its own free choice, without any inducement offered in any way other than the express agreements contained in this Agreement. The parties further state that in entering into this Agreement, each party has had the opportunity to consult with an attorney of that party's own choice regarding the benefits and detriments of entering into this Agreement.

17. This Agreement contains the full and complete agreement of the parties hereto, and all prior negotiations and agreements pertaining to the subject matter hereof are merged into this Agreement. No amendment, waiver, or discharge in any provision of all or any part of the Agreement shall be valid unless such amendment, waiver or discharge is in writing and duly executed by all parties to this Agreement, or their authorized agents.

18. This Agreement may not be amended or modified except in writing, signed by the parties to be bound thereby, or signed by their respective attorneys of record in the Litigation, which writing has been approved by the Court in the Receivership Action.

19. The parties hereto warrant and represent that none of them has sold, assigned, granted, or otherwise transferred to anyone not a party hereto, any material right, privilege, or cause of action, or any part thereof, arising out of or otherwise connected with the subject matter or terms of this Agreement.

20. This Agreement is binding upon and inures to the benefit of the parties hereto and their respective heirs, personal representatives, successors, and assigns.

21. This Agreement is entered into in the State of Arizona, and shall be governed by, construed, interpreted, and enforced in accordance with the laws of the State of Arizona. Any

dispute concerning the interpretation of this Agreement shall be submitted to and decided exclusively in the Receivership Action.

22. The person signing this Agreement on behalf of any party to this Agreement, hereby warrants and represents that the person is authorized to sign this Agreement and make the promises and grant the releases contained herein on behalf of the respective entity and that such person has the power to bind the respective entity.

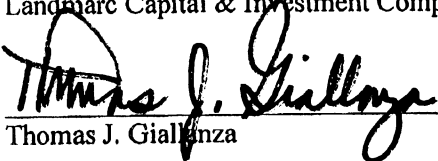
23. This Agreement may be executed in counterparts by one or more of the undersigned, and all such counterparts so executed shall together be deemed to constitute one final Agreement, as if one document had been signed by all parties hereto. Each such counterpart shall be deemed to be an original, binding the parties subscribed thereto, and multiple signature pages affixed to a single copy of the Agreement shall be deemed to be a fully executed original Agreement.

24. In the event of any future litigation between the parties to this Agreement in which the enforcement of this Agreement is sought, the prevailing party or parties with respect to issues relating to the Agreement shall be entitled to recover their reasonable attorneys' fees and costs from the other party or parties.

25. All parties to this Agreement have read this Agreement, had the opportunity to review it with counsel and fully understand and comprehend its meaning and binding effect.

THOMAS J. GIALLANZA, Deputy Receiver of
Landmarc Capital & Investment Company

Dated: 3/10/10


Thomas J. Giallanza

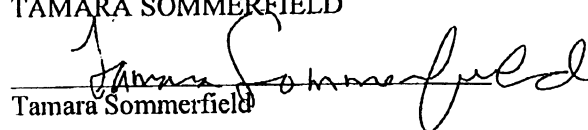
DAVID CRANTZ

Dated: 3/8/10


David Crantz

TAMARA SOMMERFIELD

Dated: 3-8-2010


Tamara Sommerfield