

STATEMENT OF RECEIVER

The Receiver of Landmarc Capital & Investment Company (“Landmarc”) as manager of Landmarc Capital Partners (“Capital Partners”) provides the following information that may be considered by all members of Capital Partners when deciding to vote to remove Landmarc Capital & Investment Company as manager of Capital Partners:

- The Receiver was advised by David Crantz that Landmarc supplemented the cash flow to Capital Partners from its loans in the amount of \$400,000. If true, this represents an obligation to Landmarc from Capital Partners that must be repaid. The Receiver’s investigators and accountants have initially determined \$143,000.00 was advanced by Landmarc for the benefit of Capital Partners in the form of payments for insurance and taxes and other matters on loans or REOs in which Capital Partners has an interest. These funds will need to be repaid to Landmarc Capital & Investment Company before any distribution of cash can be made to Capital Partners. The replacement of the Receiver as the Manager of Capital Partners will have no impact on the obligation of Capital Partners to repay these funds.
- If replaced as manager of Capital Partners, the Receiver will transition any loan files, which have been determined can be released from the Receivership pursuant to the provisions of *Order re: Petition No. 4.*, to the new manager. We believe approximately thirty (30) of the ninety-six (96) loans could now be transitioned to a new manager.
- If replaced as manager of Capital Partners, the Receiver will transition all management and responsibility of the six (6) REO properties which Capital Partners is the sole titled owner to the new manager.
- If replaced as manager of Capital Partners, the Receiver will cease all activities to investigate the operation, management, and establishment of Capital Partners. The responsibility to investigate any potential legal claims or damages arising from the operation and management of Capital Partners will be vested in the new manager.
- If replaced as manager of Capital Partners, the defense of any litigation that may arise against Capital Partners will be the responsibility of the new manager. The new manager will also be responsible to represent the interest of Capital Partners in the Receivership Action and any and all pending cases in State and Federal Courts, including actions to foreclose on the security for defaulted loans transferred to the new manager.
- As the Receiver of Landmarc Capital & Investment Company, the Receiver has been able to provide general management services to Capital Partners at no direct cost to Capital Partners. If replaced as manager of Capital Partners, these services will no longer be provided by the Receiver. We believe a new manager will require to be paid significant fees and expenses for handling the duties of manager of Capital Partners.
- If replaced as manager of Capital Partners, the Receiver will limit its communications to the new manager and no longer communicate directly with members of Capital Partners. All future communication from members will need to be directed to the new manager.
- If replaced as manager of Capital Partners, a broad grant of indemnification is provided to Landmarc Capital & Investment Company as set forth in Section 6.8 of the Operating Agreement of Landmarc Capital Partners.

We understand the frustration of many of the members of Capital Partners regarding the failure of Landmarc Capital & Investment Company. But for the intervention by the State, Landmarc would have been placed in bankruptcy and the adverse impact on Capital Partners would have been far worse. The Receiver has hundreds of loans and even more investor participations to resolve and many of them are incorrectly documented or have recording defects. The financial accounting of Landmarc was unreliable and inconsistent requiring the Receiver to reconstruct the transactions for every loan. The more than 100 REO properties (of which Capital Partners has an interest in 8) have been secured and in cases where it is economically feasible, turned over to a professional property manager.