

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: nguttilla@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. LAUREN)
KINGRY, Superintendent of the Arizona)
9 Department of Financial Institutions,)

10 Plaintiff,)

v.)

11 LANDMARC CAPITAL &)
INVESTMENT COMPANY,)

12 Defendant.)

Cause No. CV2009-020595

PETITION NO. 49

PETITION FOR ORDER AUTHORIZING
AND APPROVING SETTLEMENT WITH
JON JEFFREY HARRIS AND
SOUNDBITES RESTAURANT, LLC

(Assigned to Judge Eileen Willett)

13
14 Lauren Kingry, Superintendent of the Arizona Department of Financial Institutions as
15 court appointed Receiver of Landmarc Capital & Investment Company ("Landmarc"),
16 respectfully petitions the Court as follows:

17 1. Pursuant to an "Assignment of Promissory Note and Allied Documents"
18 between Assignor, David Crantz and the Receiver (a copy of which is attached as Exhibit
19 "A"), the Receiver acquire all of David Crantz' interest in a July 10, 2008, \$41,000.00
20 Promissory Note payable by Soundbites Restaurant, LLC to David Crantz and the personal
21 guaranty by Jon Jeffrey Harris, sole member of Soundbites Restaurant, LLC. (A copy of the
Promissory Note is attached as Exhibit "B").

1 2. The Promissory Note (Exhibit "B") is secured by a chattel Security Agreement
2 placing a lien on liquor license # 06070721 and perfected by a UCC-1 Financing Statement
3 which was filed with the Arizona Secretary of State's Office on July 15, 2008 and a notice of
4 legal or equitable interest filed with the Arizona Department of Liquor Licenses and Control.

5 3. On February 22, 2005, Reward Network Establishment Services, Inc. filed its
6 UCC-1 Financing Statement against Debtor Soundbites Restaurant, LLC securing its claim
7 against Soundbites Restaurant, LLC's liquor license and all other property, which UCC-1
8 Financing Statement was continued with a filing at the Arizona Secretary of State's Office on
9 February 11, 2011.

10 4. On March 13, 2008, the State of Arizona filed its tax lien against Soundbites
11 Restaurant, LLC claiming taxes in the amount of \$49,899.34, plus accruing interest.

12 5. The Receiver believes that neither the Reward Network Establishment Services,
13 Inc. nor the State of Arizona's tax liens have been satisfied, and therefore, the Promissory
14 Note (Exhibit "B") is effectively an unsecured obligation.

15 6. The Receiver believes that both Soundbites Restaurant, LLC and Jon Jeffrey
16 Harris are, and will probably continue to be, judgment-proof, and therefore, recovery of
17 amounts due under the Promissory Note (Exhibit "B") would be costly, time consuming and
18 possibly unsuccessful.

19 7. The Receiver, Soundbites Restaurant, LLC and Jon Jeffrey Harris have agreed,
20 subject to this Court's approval, to resolve and satisfy Soundbites Restaurant, LLC's
21 obligation under the Promissory Note and Jon Jeffrey Harris' obligation as Guarantor under

1 the Promissory Note (Exhibit "B") with the payment of \$2,500.00 to the Receiver, which
2 funds are presently being held in trust pending this Court's authorization, a copy of the
3 Settlement Agreement is attached as Exhibit "C".

4 WHEREFORE, the Receiver respectfully requests that the Court enter an order:

5 1. Authorizing the Receiver to accept \$2,500.00 in satisfaction of Soundbites
6 Restaurant, LLC under the Promissory Note and Jon Jeffrey Harris' obligation as Guarantor
7 of the Promissory Note (Exhibit "B") pursuant to the Settlement Agreement (Exhibit "C")
8 and to release the lien on Liquor License # 06070721 and terminate the notice of legal or
9 equitable interest upon said liquor license.

10 Respectfully submitted this 22nd day of July, 2011.

11 GUTTILLA MURPHY ANDERSON

12 /s/Ryan W. Anderson
13 Ryan W. Anderson
14 Attorneys for the Receiver
15
16
17

18 1157-001(108510)
19
20
21

Guttilla Murphy Anderson, P.C.
City North
5415 E. High Street, Suite 200
Phoenix, AZ 85054
(480) 304-8300

EXHIBIT 'A'

ASSIGNMENT OF PROMISSORY NOTE AND ALLIED DOCUMENTS

PARTIES

Assignor:

David Crantz

Assignee:

Superintendent of the Arizona Department of Financial Institutions as Receiver of Landmarc Capital & Investment Company in Maricopa County Arizona Superior Court, Cause no. CV2009-020595.

Obligor:

Sound Bites Restaurants, LLC dba Phase 54 and Jon Jeffrey Harris

RECITALS

WHEREAS, on July 8, 2008, Obligor, Sound Bites Restaurants, LLC executed a Promissory Note in the principal amount \$41,000.00 payable to Assignor, David Crantz.

WHEREAS, on July 8, 2008, Obligor, Sound Bites Restaurants, LLC executed a Security Agreement which was accepted by Assignor, David Crantz on July 15, 2008, which pledged Arizona liquor license no. 06070721 as security for the obligation evidenced by the above-referenced Promissory Note.

WHEREAS, Obligor, Jon Jeffrey Harris, sole member of Sound Bites Restaurants, LLC execute a "Continuing Guarantee" on July 10, 2008, guaranteeing Sound Bites Restaurants, LLC's obligation to David Crantz under the above-referenced Promissory Note.

...

...

WHEREAS, Obligor and Assignor have executed UUC-1 Financing Statement and Statement of Legal or Equitable Interest the former being filed with the Secretary of State's Office the later with the Arizona Department of Liquor Licenses and Control.

WHEREAS, Assignor has certain obligations to Assignee.

WHEREAS, Assignor has agreed to assign to Assignee all of Assignor's right, title and interests to and in the Promissory Note, Security Agreement, Personal Guarantee, UCC-1 and legal or equitable interest.

WHEREAS, Assignee is willing to take Assignor's Assignment and takeover collection and enforcement of the above-referred to obligation and documents.

ASSIGNMENT


David Crantz in partial consideration of his obligation to Landmarc Capital & Investment Company and its Receiver, hereby assigns to the Receiver of Landmarc Capital & Investment Company all David Crantz' interest in the July 8, 2008, \$41,000.00 Promissory Note, the July 8, 2008, Security Agreement, the July 10, 2008, Continuing Guarantee and all of Assignor's interests in the secured property, to wit; Arizona liquor license no. 06070721. Assignor irrevocably appoints Assignee and its assigns as Assignor's true and lawful attorney in fact with power of substitution and revocation, for its own use and the use of Landmarc Capital & Investment Company at their own costs and charges, to demand and receive the above money, takeout executions, to takeout attachments and garnishments and to take an Assignor's name or otherwise all lawful ways and means for the recovery of the money due under the Promissory Note and to enforce Assignor's security interest in the liquor license and upon payment to acknowledge satisfaction of or discharge the same.

Assignor agrees that Assignor will not collect or receive the same, or any part thereof, nor release nor discharge the obligation due under the Promissory Note but will allow all lawful proceedings therein.

Assignor hereby authorizes any County Recorder in the State of Arizona, or the Secretary of State, or the Arizona Department of Liquor Licenses and Control, to record and/or accept for filing this instrument or the appropriate document evidencing this Assignment and the underlying obligations and security represented thereby if requested by Assignee.

This Assignment of may be executed in counterparts.

IN WITNESS WHEREOF, I have executed this instrument at Phoenix, Arizona on the 21st day of MAY, 2010.

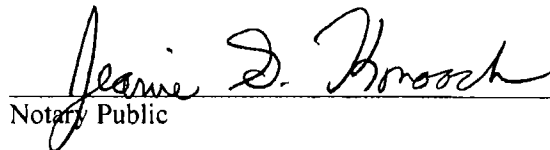


David Crantz

State of Arizona)
) ss.
County of Maricopa)

SUBSCRIBED and sworn to and acknowledged before me by David Crantz, Assignor, this 21st day of May, 2010.

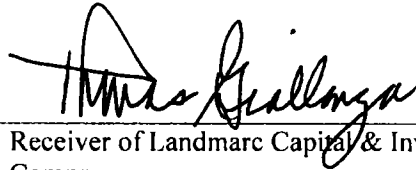




Notary Public

THE FOREGOING IS HEREBY ACCEPTED:

Dated: MAY 25, 2010



Receiver of Landmarc Capital & Investment
Company

By: Thomas Giallanza, Deputy Receiver

NOTICE OF ASSIGNMENT OF PROMISSORY NOTE, SECURITY
AGREEMENT AND PERSONAL GUARANTEE

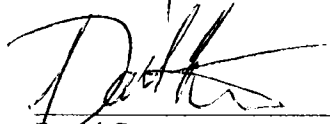
To: Sound Bites Restaurants, LLC and Jon Jeffrey Harris

From: David Crantz

This is to notify you that I have assigned to the Receiver of Landmarc Capital & Investment Company all of my right, title and interest in and to the July 8, 2008, \$41,000.00 Promissory Note; July 8, 2008, Security Agreement; and July 10, 2008, Continuing Guarantee and all interest in Arizona liquor license no. 06070721.

You are hereby notified to make full payment on account of said Note to the Receiver of Landmarc Capital & Investment Company c/o Thomas Giallanza, Deputy Receiver, 14555 North Scottsdale Road, Suite 340, Scottsdale, Arizona 85254.

DATED this 20th day of May, 2010.



David Crantz

EXHIBIT 'B'

PROMISSORY NOTE

\$41,000.00

July 8, 2008

The undersigned, **SOUND BITES RESTAURANT, LLC, AN ARIZONA LIMITED LIABILITY COMPANY** ("Borrower") promises to pay to **DAVID CRANTZ, A MARRIED MAN** ("Lender"), or order, the principal sum of **FORTY ONE THOUSAND DOLLARS (\$41,000.00)** with interest from the date hereof, on the unpaid principal balance (the "Loan"). This Promissory Note (the "Note") is secured in part by a Security Agreement which pledges to Lender Arizona Liquor License No. 06070721. Borrower promises to pay the principal and interest evidenced hereby in accordance with the terms and conditions herein contained and set forth.

1. **Promise to pay principal.** On or before January 8, 2009, Borrower shall make a principal payment in the amount of Forty One Thousand Dollars (\$41,000.00) ("maturity" or "Maturity Date"). The entire unpaid balance of the principal and interest, if not sooner paid, shall be and become due and payable at maturity.

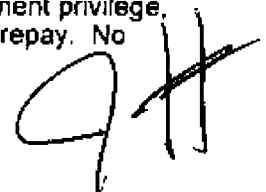
2. **Interest Rate.** In addition to the principal sum of this Note, Borrower promises to and shall pay Lender interest on the unpaid principal balance from the date hereof, at the rate of eighteen percent (18%) per annum which amount, subject to the terms hereof and the terms of the Deed of Trust, shall be due and payable on the 8th day of each month, commencing August 8, 2008, and continuing through January 8, 2009. All interest referred to herein shall be calculated on the basis of a three hundred sixty (360) day year. The monthly payments shall be interest only in the amount of Six Hundred Fifteen Dollars (\$615.00) monthly.

3. **Loan and Lender's Fees.** Borrower agrees that at the time of funding Lender shall withhold from the loan proceeds a Loan Fee in the amount of Eleven Thousand and no/100ths Dollars (\$11,000.00) which Loan Fee shall include Lender's legal fees and costs for perfecting the security interest in the collateral for the Loan.

4. **Place of payment.** All payments shall be made by Borrower to Lender at Lender's home office, which is located at 4110 North Scottsdale Road, Suite 330, Scottsdale, Arizona 85251, or at such other place or places as Lender may designate in writing from time to time. All payments made under this Note, including any permitted prepayments, shall be applied first to interest second to any outstanding fees and then to principal. In order for same day credit, any payment made by Borrower must be received by Lender prior to 1:00 p.m., Phoenix, Arizona time. Any payment not received prior to 1:00 p.m. by Lender will be credited as if it was received on the following business day. Borrower specifically acknowledges that no payments of principal shall be made to Lender on a Friday.

5. **Lawful money.** All payments shall be in lawful money of the United States of America or in such other form which is acceptable to Lender. Lender's acceptance of payment in any form other than lawful money of the United States of America for any partial payment required or permitted under the provisions of this Note shall not be a waiver of the requirement that any future payments be made in lawful money of the United States of America.

6. **Prepayment.** Borrower shall have the privilege to prepay the Loan in full or in part, subject to the terms of this Note. In the event Borrower elects such prepayment privilege, Lender shall be provided with ten (10) days prior written notice of such intent to prepay. No



Principal payments shall be permitted to be made on a Friday.

7. **Acceleration upon default** If Borrower shall default:

(a) in the payment when due of any payment or payments as herein provided which failure is not cured within five (5) days after written notice thereof by Lender to Borrower;

(b) in the performance of any of the other terms, agreements, covenants or conditions in any of the Loan Documents, as defined below which failure is not cured within thirty (30) days after written notice thereof by Lender to Borrower;

then, subject to the notice and cure provisions set forth herein, the entire unpaid principal and interest of this Note, irrespective of the Maturity Date specified herein, together with all the then accrued, but unpaid, interest thereon and all other sums owed hereunder or under the other Loan Documents, shall, at the election of the Lender, without further notice of such election, become immediately due and payable and Lender may exercise any remedy set forth herein, under any of the other Loan Documents, or otherwise available at law or in equity.

8. **Late Charges, Default Interest & Penalties.**

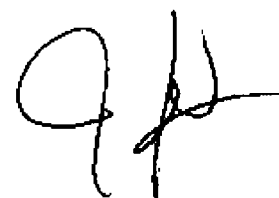
(a) If any payment of interest, principal or impounds is not received by Lender when due (including without limitation at maturity) and such payment remains outstanding five (5) days after the due date, Borrower agrees to pay a late charge equal to fifteen percent (15%) of the payment.

(b) If any payment is not paid on the due date thereof, and such payment remains outstanding five (5) days after the due date, then (in addition to the late charge as stated above) the interest rate on the unpaid principal shall be increased to thirty percent (30%) per annum from the date of the last payment and such rate shall continue until all payments have been made current.

(c) In the event of any other event of default of Borrower hereunder or under the Loan Documents, which is not cured by Borrower within ten (10) days written notice to Borrower by Lender of such event of default, Lender shall be entitled to charge Borrower interest at the Default Rate from the date of the event of default until and through the date such default has been cured.

9. **Remedies cumulative.** The rights or remedies of Lender as provided in this Note and the other Loan Documents shall be cumulative and concurrent, and may be pursued singularly, successively, or together against Borrower, any guarantor hereof, and any other funds, property or security held by Lender for the payment hereof or otherwise at the sole, absolute and uncontrolled discretion of Lender. The failure to exercise any such right or remedy shall in no event be construed as a waiver or release of said rights or remedies or of the rights to exercise them at any later time.

10. **Consent and waiver of defenses.** Except as otherwise required by law, Borrower and all indemnitors, endorsers, guarantors, sureties, accommodation parties, assuming parties hereof, and all persons liable or to become liable on this Note waive presentment, protest and demand, notice of protest, demand and dishonor and nonpayment of this Note; all applicable appraisal, valuation exemption rights, notices of whatsoever kind or nature, including, but not limited to, notice of intention to accelerate, notice of acceleration, notice of dishonor or other notice which Lender might otherwise be obligated to provide Borrower following an Event of Default, specifically excepting such notice requirements as are



expressly set forth in this Note; and they also jointly and severally hereby consent to any and all renewals, extensions or modifications of the terms hereof, including time of payment, or of the terms of the Loan Documents or any other document, agreed upon by Borrower, and further agree that any such renewal, extension or modification of the terms hereof or of the terms of the Loan Documents, or the release or substitution of any security for the indebtedness evidenced hereby or any other indulgences, as agreed upon by Borrower, shall not affect the liability of any of said parties for the indebtedness evidenced by this Note. Any such renewals, extensions or modifications which have been agreed upon by Borrower may be made without notice to any of said parties.

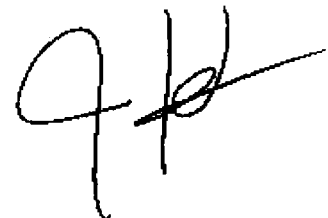
11. **Fees and expenses.** Borrower, indemnitors, endorsers, guarantors, sureties, accommodation parties, assuming parties hereof and all other persons liable or to become liable on this Note, agree, jointly and severally, to pay all reasonable and customary costs of collection, including reasonable attorneys' fees and all reasonable costs of suit, in case the unpaid principal sum of this Note, or any payment of interest or principal and interest thereon or premium, is not paid when due, or in case it becomes necessary to protect the security for the indebtedness evidenced hereby, or for the foreclosure or other enforcement by Lender or lender of any of the Loan Documents, in which Lender shall be successful, or in the event Lender is made party to any litigation because of the existence of the indebtedness evidenced by this Note, or because of the existence of the other Loan Documents, whether suit be brought or not, and whether through courts of original jurisdiction, as well as courts of appellate jurisdiction, or through a bankruptcy court or other legal proceedings.

12. **Amendment.** This Note and the other Loan Documents may not be amended, modified or changed, nor shall any waiver of any provision hereof be effective, except only by an instrument in writing and signed by the party against whom enforcement of any waiver, amendment, change, modification or discharge is sought; provided, however, that this paragraph shall in no way be a limitation on the provisions of the consents and waivers set forth in paragraph 10, except that the terms of this Note and the other Loan Documents may not be amended without Borrower's execution thereof.

13. **Note secured by Loan Documents.** This Note is secured by the other Loan Documents which contain additional provisions for the acceleration of the maturity of the obligation to pay under the provisions of this Note.

14. **Intentionally Omitted.**

15. **Interest not to exceed legal maximum.** Notwithstanding any provision herein or in any instrument now or hereafter securing this Note, the total liability for payments in the nature of interest shall not exceed the limits imposed by the usury laws of the State of Arizona. If Lender receives as interest an amount which would exceed such limits, such amount which would be excessive interest shall be applied to the reduction of the unpaid principal balance and not to the payment of interest; and if a surplus remains after full payment of principal and lawful interest, the surplus shall be remitted to Borrower by Lender, and Borrower hereby agrees to accept such remittance. If this paragraph becomes operative, the total Loan shall at the option of Lender become immediately due and payable and shall bear interest at the maximum rate then permitted by the usury laws of the State of Arizona until all the then obligations of this Note, as modified by this paragraph, are paid and performed in full. The acceleration provided for in this paragraph may be avoided by Borrower and all parties liable to Lender on the Note by then waiving any and all usury claims and defenses they then have, if permitted by law, and by paying all interest then and thereafter due and payable at the lesser of the interest rate or highest rate then permitted by law.

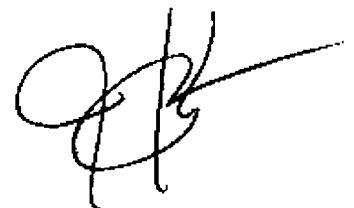


16. **Additional sums.** All fees, charges, goods, things in action or any other sums or things of value (collectively, the "Additional Sums") paid by Borrower to Lender, whether pursuant to this Note or otherwise howsoever with respect to the Loan or indebtedness evidenced hereby, or with respect to the other Loan Documents, which, under the law of the State of Arizona may be deemed to be interest with respect to such loan or indebtedness, shall, for the purpose of any laws of the State of Arizona which may limit the maximum rate of interest to be charged with respect to such loan or indebtedness, be payable by Borrower as, and shall be deemed to be, additional interest, and for such purposes only, the agreed upon and contracted rate of interest described above shall be deemed to be increased by the Additional Sums.

17. **Successors and assigns.** Whenever used herein, the words "Borrower" and "Lender" shall be deemed to include their respective heirs, personal representatives, successors and assigns. This paragraph shall not be a consent by Lender for Borrower to assign or transfer any property securing payment hereof or any rights, powers, obligations or duties of Borrower.

18. **Choice of law and Venue.** Except where preempted by the laws of the United States, or regulations promulgated thereunder, this Note shall be governed by the laws of the State of Arizona. Venue for any dispute arising under this Note or any of the related Loan Documents shall be in Maricopa County, Arizona.

19. **Notice.** All notices or other communications required or permitted to be given or delivered under this Note shall be in writing and may be hand delivered, deposited in the United States Mail, postage prepaid, or forwarded by facsimile transmission with the original to follow by United States Mail addressed to said party or parties at the addresses shown below, or to such other address as Borrower or Lender may designate by giving notice in the foregoing manner. Any notice hand-delivered or sent by facsimile shall be deemed effective when received and any notice sent United States Mail shall be deemed effective two (2) days following the date of mailing.

A handwritten signature in black ink, consisting of a large, stylized initial 'J' followed by a surname that appears to be 'K'. The signature is written in a cursive style with a long horizontal stroke extending to the right.

If intended for Borrower:

Sound Bites Restaurant, LLC
1700 West Drake Drive, #1
Tempe, Arizona 85283
Facsimile telephone number:

If intended for Lender and mailed:

Landmarc Capital & Investment Co.
4110 North Scottsdale Road, Suite 330
Scottsdale, Arizona 85251
Facsimile telephone number: 480-970-4592

With a copy to:

Andrew Abraham, Esq.
Burch & Cracchiolo, P.A.
702 East Osborn Road, Suite #200
Phoenix, Arizona 85014
Facsimile telephone number: 602-343-7917

20. **Integrated contract.** This Note and the other documents and instruments described and referred to in the Agreement and executed in connection with the Loan (the Note and such other documents may be referred to as the "Loan Documents") shall be and become an integrated contract, and all terms, conditions and provisions hereof and thereof shall survive the closing of the Loan and the recording of the Loan Documents. In the event of any conflict between this Note and the other Loan Documents, then this Note shall control.

21. **Exercise of remedies.** Lender will exercise any of the rights or remedies authorized or permitted in any of the other Loan Documents, which are exercisable upon the occurrence of a default by Borrower, without notice to Borrower.

22. **Attorneys' fees.** Notwithstanding any provision hereof to the contrary, if any dispute arising under the terms of this Note or the other Loan Documents shall result in litigation, the successful party shall, in addition to any other relief granted or awarded by the court, be entitled to an award of reasonable attorneys' fees.

23. **Headings.** The paragraph headings used herein are for convenience only and are not to be used to interpret or construe this Note.

24. **Time is of the essence.** Time is of the essence of this Note and each and every provision hereof. Any extension of time granted for the performance of any duty under this Note shall not be considered an extension of time for the performance of any other duty under this Note.

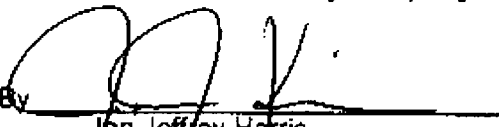
25. **Severability.** In case any one or more of the provisions contained in this Note shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof and this Note shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.



Borrower has executed this Note on the day first hereinbefore written.

BORROWER:

**SOUND BITES RESTAURANT, LLC,
an Arizona limited liability company**

By 
Its: Jon Jeffrey Harris
Sole Member

00

SECRETARY OF STATE

2008 JUL 15 PM 1:09

FILED

200815462132

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER (optional)
ANDREW ABRAHAM, ESQ. 602-234-9917

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

**ANDREW ABRAHAM, ESQ.
 BURCH & CRACCHIOLO, P.A.
 702 E. Osborn, Suite 200
 Phoenix, Arizona 85014**

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME
SOUND BITES RESTAURANT, LLC

OR 1b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

1c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY
1700 WEST DRAKE DRIVE, #1 TEMPE AZ 852831 USA

1d. TAX ID #: SSN OR EIN ADD'L INFO RE ORGANIZATION DEBTOR 1e. TYPE OF ORGANIZATION 1f. JURISDICTION OF ORGANIZATION 1g. ORGANIZATIONAL ID #, if any
limited liability co ARIZONA L-1065018-1 NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR 2b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

2c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

2d. TAX ID #: SSN OR EIN ADD'L INFO RE ORGANIZATION DEBTOR 2e. TYPE OF ORGANIZATION 2f. JURISDICTION OF ORGANIZATION 2g. ORGANIZATIONAL ID #, if any
 NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME

OR 3b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX
CRANTZ David Mr.

3c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY
4110 NORTH SCOTTSDALE ROAD, SUITE 330 SCOTTSDALE AZ 85251 USA

4. This FINANCING STATEMENT covers the following collateral:

Arizona Liquor License No. 06070721.

5. ALTERNATIVE DESIGNATION (if applicable): LESSEE/LESSOR CONSIGNEE/CONSIGNOR BAILEE/BAILOR SELLER/BUYER AG. LIEN NON-UCC FILING

6. This FINANCING STATEMENT is to be filed for record for recorded in the REAL ESTATE RECORDS. Attach Addendum (if applicable) 7. Check to REQUEST SEARCH REPORT(S) on Debtors (optional) ADDITIONAL FEE All Debtors Debtor 1 Debtor 2

8. OPTIONAL FILER REFERENCE DATA

EXHIBIT 'C'

SETTLEMENT AGREEMENT

This Agreement, made and entered into effective 7/7/2011, by and between the Thomas J. Giallanza, Deputy Receiver of Landmarc Capital & Investment Company, Jon Jeffrey Harris and Soundbites Restaurant, LLC.

Recitals

WHEREAS, on May 25, 2010, Jon Jeffrey Harris has executed a personal guaranty of the obligation of Soundbites Restaurant, LLC under a July 10, 2008, \$41,000.00 Promissory Note payable to David Crantz;

WHEREAS, the Receiver of Landmarc Capital & Investment Company has acquired all of David Crantz's interest in the July 10, 2008, \$41,000.00 Soundbites Restaurant, LLC's Promissory Note guaranteed by Jon Jeffrey Harris; and

WHEREAS, the Receiver of Landmarc Capital & Investment Company, Soundbites Restaurant, LLC and Jon Jeffrey Harris wish to resolve and settle all of Soundbites Restaurant, LLC's liability under the Promissory Note and Jon Jeffrey Harris' liability under his personal guaranty of the \$41,000.00, July 10, 2008 Promissory Note.

NOW, THEREFORE, Soundbites Restaurant, LLC and Jon Jeffrey Harris agree to pay to the Receiver the total sum of \$2,500.00 and the Receiver agrees to accept the sum of \$2,500.00 as full and complete satisfaction of Soundbites Restaurant, LLC and Jon Jeffrey Harris' obligation and liability under the Promissory Note and personal guaranty of the July 10, 2008, \$41,000.00 Promissory Note payable by Soundbites Restaurant, LLC to David Crantz for his liability to the Receiver under the "Assignment of Promissory Note" and allied documents" dated May 25, 2010.

This Settlement Agreement is subject to approval by the Maricopa County Superior Court in Cause No. CV 2009-020595.

Upon entry of an Order approving the settlement between the parties by the Maricopa County Superior Court in Cause No. CV 2009-020595 and the payment of \$2,500.00 by Soundbites Restaurant, LLC and Jon Jeffrey Harris to the Receiver of Landmarc Capital & Investment Company, Soundbites Restaurant, LLC and Jon Jeffrey Harris' obligation to the Receiver pursuant the Promissory Note and personal guaranty of the July 10, 2008, \$41,000.00 Promissory Note shall be deemed satisfied in full and the lien securing the Promissory Note on Liquor License # 06070721 shall be deemed satisfied and the notice of legal or equitable interest terminated.

IN WITNESS WHEREOF, we have hereunto set our hands on the day, month and year above written.

JON JEFFREY HARRIS

By: [Signature]
Jon Jeffrey Harris

Dated: 7/7/2011

SOUNDBITES RESTAURANT, LLC

By: [Signature]
Jon Jeffrey Harris, Member

Dated: 7/7/2011

LAUREN KINGRY, Receiver of Landmarc Capital & Investment Company

By: [Signature]
Thomas J. Giallanza, Deputy Receiver

Dated: 7/18/11