

Office of the Receiver
Landmarc Capital & Investment Company
P.O. Box 14050
Scottsdale, AZ 85267

November 19, 2010

Dear Member of Landmarc Capital Partners, LLC:

The Receiver believes that it is the time for the members of Landmarc Capital Partners, LLC (“Capital Partners”) to assume phased control of its investments and relieve Landmarc Capital & Investment Company (“Landmarc”) of management responsibilities of Capital Partners.

To that end, the Receiver of Landmarc as manager of Capital Partners hereby announces its resignation as manager of Capital Partners effective December 31, 2010.

In order to effectuate the orderly transition of Capital Partners and the election of a new manager of Capital Partners, the Receiver provides the following information which may be considered by all members of Capital Partners deciding how to vote on the winding up of Capital Partner’s business and/or the election of a new manager.

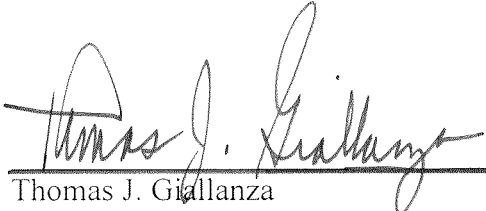
- Section 10.1 of the Operating Agreement of Capital Partners provides that the withdrawal and resignation of Landmarc as Manager, qualifies as a liquidating event requiring the dissolution, winding up, and liquidating of Capital Partners and its assets, unless a majority in interest of the member elect to continue Capital Partners as a going concern. An election of the members of Capital Partners to dissolve and wind up its business operations will not effect the Receiver’s transition of any loan files under the provisions of *Order Re: Petition No. 4*, distribution of any paid off loan proceed under *Order Re: Petition No. 8*, or the distribution and procedures for the determination of claims under *Order Re: Petition No. 27* or the transition of REO property under *Order Re: Petition No. 25*. The Receiver will continue the transition of all loans, proceeds and REO assets as previously authorized by the foregoing petitions and the acceptance and determination of the same shall be the sole responsibility of the new manager.
- The Receiver and the Capital Partners Investor Advisory Committee recommend amendments to the Operating Agreement of Capital Partners that among other things: (1) Establishes a 5 Member board elected by Capital Partners; (2) Amends key provisions of Operating Agreement of Capital Partners that enable the 5 Member board to manage the real estate and other investment interests of Capital Partners; (3) Establishes procedures that the 5 Member Board must follow in the management of the assets of Capital Partners; (4) Allows each member of the 5 Member board to be compensated no more than \$1,000.00 per month for its services as Manager.
- Attached to this letter is a black-lined copy of the proposed Amended Operating Agreement of Capital Partners.

- The five (5) Members elected by vote of the investors of Capital Partners will assume full responsibility for the determination of any future distributions to the Members of Capital Partners and will assume responsibility for the management of all loans and assets of Capital Partners.
- The five (5) Members elected by vote of the investors of Capital Partners will be responsible for filing any revised claim to the unsecured assets of Landmarc Capital and Investment Company.
- Outside of determining claims relative to Capital Partner's interest in specific loans, the new manager will be responsible to investigate any potential legal claims or damages arising from the operation of the management of Capital Partners by Landmarc, **pre-receivership**. The five (5) Members elected by vote of the investors of Capital Partners will also be responsible for the defense and prosecution of any litigation that may arise out of or relate to Capital Partner's operations, loan files or REO assets.

As we have reported, over the course of the last year, the Receiver has been working to transition the loan files and assets held by Landmarc, not only for the benefit of the Members of Capital Partners, but also for all loan participants, in an orderly fashion. The Receiver has also made monthly distributions since May of assets of Capital Partners. Over the course of the last year, the Receiver has transferred 18 loan files to a new servicing agent, along with transferring 30 REO assets to a professional real estate management company. The Receiver will continue to work to transfer the remaining assets and loan files held by Landmarc to Capital Partners.

The Receiver would like to take this opportunity to thank all the members of Capital Partners for their patience and participation in the management and administration of Capital Partners, since the inception of the Receivership. I wish to extend a special "Thank You" to the members of the Investor Advisory Committee: **Jack Ruben, Danny Lemon, Curt Burton, Harvey Freidman, Robert Hicklin Jr. and Donald Palmer**. These gentlemen have spent a significant amount of their time and energy over the past ten months providing advice and assistance to the Receiver at no compensation.

If you have any questions or concerns, please contact me directly,



Thomas J. Giallanza
Deputy Receiver of Landmarc Capital and
Investment Company, as Manager of
Landmarc Capital Partners, LLC.