



## ARIZONA DEPARTMENT OF FINANCIAL INSTITUTIONS

Felecia A. Rotellini  
Superintendent of Financial Institutions

Janice K. Brewer  
Governor

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### **Arizona Department of Financial Institutions Announces Appointment of Receiver for Landmarc Capital and Investment Company**

PHOENIX – The Arizona Department of Financial Institutions today announced that the Arizona Superior Court has appointed Superintendent of Financial Institutions Felecia A. Rotellini receiver for Landmarc Capital and Investment Company (“Landmarc”), an insolvent mortgage banker. In her capacity as receiver, Superintendent Rotellini will protect the rights of Arizona consumers and businesses by taking over the operations and assets of Landmarc, will serve as the agent of the Superior Court, and will be accountable directly to the Court. Ms. Rotellini, a member of Governor Jan Brewer’s cabinet, heads the Arizona Department of Financial Institutions (“AzDFI”).

Superintendent Rotellini said “The Department began its initial examination because of consumer complaints. As the case progressed, we discovered an insolvent company misrepresenting its condition to investors and potential borrowers. This receivership was compelled by Landmarc’s conduct and its failure to comply with Arizona law governing its business practices. The receivership will allow the Department to unwind the business with less overhead and expense than a bankruptcy.”

In Superintendent Rotellini’s complaint seeking appointment as receiver, she alleges that Landmarc has committed numerous regulatory violations including operating while insolvent, and paying millions of dollars to off-shore companies owned by the principal shareholders of Landmarc.

Landmarc is alleged to have falsely reported its financial condition to AzDFI in financial statements not prepared in accordance with Generally Accepted Accounting Principles (“GAAP”) as required by Arizona law. Landmarc inflated its net worth by including on its financial statements land and vehicles it did not own. It also failed to include the value of either assets or liabilities associated with warehouse credit financing lenders. Landmarc also failed to write down the value of real estate it had taken back through foreclosures and did not account for interest owed to the warehouse lenders.

Landmarc is licensed by AzDFI as a mortgage banker. It makes both residential and commercial real estate loans, with 70% of its loans secured by Maricopa County real estate. The Superintendent's complaint asks that the Court order Landmarc to appear and show why it should not be placed into receivership. The Court's order appointing Ms. Rotellini as receiver sets a hearing date of June 30, 2009 at 9:30am.

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