

MEDIA STATEMENT from Sunwest Management
March 10, 2009

The U.S. District Court today entered an order formalizing an agreement reached between the Securities and Exchange Commission (SEC), Sunwest Management, Inc., former Sunwest CEO Jon Harder, investors and creditors in Harder's bankruptcy proceedings, and other related parties. The court's ruling culminates a week of negotiations between the parties after the same Court denied the SEC's request on March 2nd to freeze Sunwest assets and appoint a receiver.

Judge Hogan issued his ruling late in the day after U.S. Magistrate Court Judge Thomas Coffin denied a motion from secured lenders that Hogan be recused due to his role as a mediator in Jon Harder's bankruptcy case. Key aspects of the order are as follows:

1. An SEC receiver has been appointed for the purpose of investigating alleged securities fraud, pursuing third-party claims, and recovering assets for the benefit of creditors and investors.
2. As contemplated in an earlier stipulation filed in Jon Harder's bankruptcy case, operational and financial control of Sunwest will remain in the hands of the Chief Restructuring Officer, reporting to a Management Committee consisting of creditors and tenant-in-common investors in the bankruptcy estate.
3. All creditors of and claimants against Sunwest and related entities are stayed from taking any action that interferes with the Receiver's or the Chief Restructuring Officer's control, possession of management of all assets covered by the order, which includes all entities in which Harder has an ownership interest.

"We are very pleased with the day's events," said Clyde Hamstreet, Sunwest's Chief Restructuring Officer. "Not only does this outcome allow Sunwest to continue its restructuring efforts, but it gives us much more traction by stopping actions to foreclose properties, install new receivers, and terminate management contracts. We've needed breathing room from all the legal actions to allow the business restructuring to make progress, and today we achieved that. We look forward to working cooperatively with the SEC and the Receiver to protect investors and maximize recovery for investors and unsecured creditors."

Sunwest Management, founded in Oregon in 1991, is one of the largest private senior living providers in the country and a significant Oregon employer. The company engaged Clyde Hamstreet in late November 2008 to serve as Chief Restructuring Officer, a new position. Mr. Hamstreet, a nationally recognized turnaround professional, is leading the effort to preserve value, improve earnings, and help Sunwest meet its financial obligations to creditors and investors.

For more information on the restructuring of Sunwest Management, Inc., please see the company's website: www.sunwestmanagement.com.