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SUNWEST MANAGEMENT REPORTS SOLID SECOND QUARTER FINANCIAL RESULTS

Hamstreet & Associates' Restructuring Efforts Make Progress

Portland, Ore. (Aug. 19, 2009) – Sunwest Management, a senior living provider based in Salem, reported solid financial performance for the second quarter of the year, with growth in revenue, net operating income (NOI) and occupancy. The favorable results follow several months of focus on operations and cash management. Led by chief restructuring officer Clyde Hamstreet, Sunwest Management's new team attributes the results to increased focus on resident care and emphasis on management accountability, employee commitment, fiscal management, and improved communications between management and employees.

Financial results for the quarter ended June 30, 2009 were encouraging, with revenue up 4.4 percent over the previous year, NOI gaining 10.1 percent, and operating margin up 5.5 percent. In addition, through July, Sunwest Management has experienced three consecutive months of positive occupancy growth. The company's occupancy results compare favorably to other senior living providers who showed a decline over the quarter.

Improved financial stability and operational performance indicate that goals for Sunwest's reorganization set by Hamstreet and federal receiver Michael Grassmueck are being met. Grassmueck was appointed receiver by Federal District Court Judge Michael Hogan last March after the Securities and Exchange Commission filed suit against Sunwest. Hogan also issued an injunction, providing Sunwest time to stabilize its finances. The mediation, led by retired Lane County Circuit Court Judge Lyle Velure, Grassmueck, Hamstreet and numerous other parties, is working on plans for reorganizing the company and distributing value to investors and creditors.

About Sunwest Management

Founded in Oregon in 1991, Sunwest Management is one of the largest private senior living providers in the country and is a significant Oregon employer. The company engaged Hamstreet in later November 2008 to serve as chief restructuring officer, an appointment approved in March by the Federal Court. Hamstreet, a nationally recognized turnaround professional, is leading the effort to provide quality care, preserve value, and help Sunwest meet its obligations to creditors and investors. For more information on the restructuring of Sunwest Management, Inc., please visit: www.SunwestManagement.com.