



September 28, 2010

Re: *Securities and Exchange Commission v. Sunwest Management, Inc. et al.*
Case No. 09-CV-6056-HO
In re: Stayton Assisted Living, LLC
Case No. 09-6082-HO

Dear Claimants:

The Court has issued an Order which describes the process for resolving disputed claims. The Receiver's office previously sent you a letter describing how they think your claim should be treated. You are receiving this letter because your claim(s) has not been resolved or we have not yet received the consent form indicating that you approve of our proposed treatment of your claim(s). If your claim has been allowed in full, you have consented to your proposed claim treatment or you have elected to take the LLC Settlement in place of your claim(s), you should read the enclosed Order, but you **do not need** to appear for mediation since all claim(s) issues have been resolved for your claim(s).

If you dispute the Receiver's proposed treatment of your claim(s), then please read the enclosed Order closely as it may affect your rights under the Plan of Distribution and the claim(s) you filed. This Order requires all claimants that disagree with the Receiver's proposed treatment of your claim(s) or secured lenders without approved deficiency claim(s), to appear at the Wayne L. Morse United States Courthouse in Eugene, Oregon for mediation starting at 9am on October 18, 19, and 20, 2010. If you dispute your claim, you must notify the Court and Receiver, in writing, of your objection and to contact the Receiver's office to determine what day your claim to be mediated. In order to ensure proper scheduling and preparation, please contact the Receiver's office no later than October 11, 2010 at 5pm. Please notify the Receiver's office of each claim that you intend to dispute and the nature of such dispute.

If you are working with the Receiver's office to resolve the dispute, you should still file a dispute for your claim per the instructions in the Court's Order, but **please continue working with the Receiver's office to resolve your claim**. If your claim is resolved prior to mediation, you will no longer need to attend.

Secured lenders that are unable to resolve their deficiency in this mediation shall be subject to an estimation proceeding under applicable Bankruptcy Code and to be set prior to November 22, 2010.

All claimants need to read the enclosed Order and follow the instructions contained therein if they intend to dispute their claim(s). If you have questions about your claim(s) or to notify the Receiver of your dispute, please call 1-866-674-6791. If you have questions of the representative committees, please contact them at the phone number included in the Court's Order.

Sincerely,

Michael A. Grassmueck, Receiver