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UNITED STATES DISTRICT COURT
DISTRICT OF OREGON
EUGENE DIVISION

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

vs.

SUNWEST MANAGEMENT, INC.,
CANYON CREEK DEVELOPMENT,
INC., CANYON CREEK FINANCIAL,
LLC, AND JOHN M. HARDER,

Defendants,

DARRYL E. FISHER, ET AL.,

Relief Defendants.

MICHAEL A. GRASSMUECK,
Receiver,

Plaintiff

vs.

GROVE, MUELLER & SWANK, P.C.

Defendant

Case No. 09-6056-HO

NOTICE OF:

(1) MOTION FOR APPROVAL OF
SETTLEMENT WITH GROVE,
MUELLER & SWANK, P.C.

(2) PROPOSED FINAL CLAIM BAR
ORDER

(3) HEARING DATE

Case No. 09-CV-0650-HO

THIS IS A LEGAL NOTICE THAT MAY AFFECT YOUR RIGHTS

Michael A. Grassmueck, the duly appointed receiver ("Receiver") in the above-captioned action entitled *SEC v. Sunwest Mgmt., Inc.*, Case No. 09-CV-6056-HO (the "SEC Action") for Sunwest Management, Inc., Canyon Creek Development, Inc., Canyon Creek Financial, LLC, Fuse Advertising, Inc., KDA Construction, Inc., and other entities (collectively, "the Receivership Entities"), hereby gives **NOTICE** of the following:

I. MOTION FOR APPROVAL OF SETTLEMENT

The Receiver is bringing a motion ("Settlement Approval Motion") requesting an order from the District Court (1) approving a settlement and settlement agreement¹ (the "Settlement" and "Settlement Agreement") entered into between the Receiver, on the one hand, and GROVE, MUELLER & SWANK, P.C. ("GMS") and (2) entering a Final Claims Bar Order with respect thereto.

The Receiver has asserted claims against GMS on behalf of Sunwest investors and the Receivership Entities in *Grassmueck v. Grove, Mueller & Swank, P.C.*, Case No. 09-CV-0650-HO, (the "GMS Case"). The Receiver has also received assignments of claims, asserted or unasserted, against GMS from Sunwest investors, creditors, and claimants (the "Third Party Claims"), pursuant to the Plan of Distribution approved on October 2, 2009, in the SEC Case; the Receiver's, CRO's and Debtor's Second Amended Joint Plan of Reorganization (May 27, 2010), filed in the Bankruptcy Case; and the Order Re Assignment of All Sunwest Investors' and Claimants' Rights and Claims Against Certain Third Parties to Receiver dated April 7, 2011.

The Settlement resolves claims in the GMS Case and the Third Party Claims as to GMS, as well as claims by GMS against the Receivership Entities. Among

¹ The Settlement Agreement has certain defined terms, including certain terms used herein. A copy of the Settlement Agreement is part of the Settlement Approval Motion and may be obtained as below.

other things, the Settlement calls for payment of \$1,350,000 to the Receiver; calls for GMS to release any claims GMS may have against the Receivership Entities, with the exception of an administrative claim in the amount of \$228,381.26, which shall be approved by the Receivership; and provides for mutual releases.

Copies of the Settlement Approval Motion papers are available at the Receiver's website at www.grassmueckgroup.com/sunwest.php; through the District Court's Pacer/ECF/CM website (registration and fee required); or, by requesting a copy from the Receiver at (866) 674-6791 or (503) -294-9928.

II. FINAL CLAIM BAR ORDER

The Settlement calls for, and the Settlement Approval Motion seeks, a "**Final Claims Bar Order**" which would bar any further claims by certain persons including third parties against GMS for certain damages or other relief.

The Final Claims Bar Order will be binding on the Receiver; the CRO; the Debtor; all Sunwest investors, creditors, and claimants, known and unknown; all parties in any pending federal or state court litigation involving GMS; all parties in any arbitrations involving Sunwest investments; the Receivership Entities; Sunwest Entities; the HFG Parties; all other professionals who provided services to the Receivership Entities, Sunwest Entities, and the HFG Parties; all persons or entities who receive the notice; and any other interested parties who may have Sunwest-related claims.

The proposed Final Claims Bar Order would apply to all claims against GMS for damages or other remedies arising from or related to their conduct related to the activities of Sunwest Entities, including Sunwest Management, Inc., and their principals, including claims arising from the sale, purchase, or solicitation of Sunwest investments and all claims for contribution or indemnity made by any person or entity arising from the same or related common core of operative facts addressed in the SEC Case or the Barred Claims. These claims include, but are not

limited to, claims on guarantees, claims made under Section 10 of the 1934 Act and Rule 10b-5 (including, but not limited to, any claims for malpractice, negligence, breach of fiduciary duty, unsuitability, fraud, misrepresentation, or negligence), violation of the 1933 Act, violations of any other applicable securities laws (both federal and state for both primary and secondary liability), breach of contract, misrepresentation, conversion, vicarious/control person liability, aiding and abetting liability, professional negligence, breach of fiduciary duty, negligence, compensatory damage claims, punitive damage claims, attorneys fees claims, and all claims related thereto and thereafter, and any other claims arising from the sale, purchase, or solicitation of Sunwest investments, or the common core of operative facts addressed in the Sunwest Proceedings.

III. HEARING DATE ON MOTION FOR SETTLEMENT APPROVAL AND CLAIMS BAR ORDER

On September 20, 2011, at 1:30 p.m. the District Court will conduct a hearing on the Receiver's Settlement Approval Motion, including the entry of Final Claim Bar Order. The District Court is located at 405 East Eighth Avenue, Suite 2100, Eugene, Oregon 97401-2712. The Court may also establish a telephone conference line for the hearing; if you intend to appear by telephone, please inform Receiver's counsel at the address above. Depending on developments, it is possible that the hearing date may be continued to a later date. You are welcome to attend the hearing, but you are not required to do so.

If you wish to oppose the Settlement Approval Motion, you must file your opposition with the District Court at United States District Court, District of Oregon, Eugene Division, 405 East Eighth Avenue, Suite 2100, Eugene, Oregon 97401-2712 and serve it on counsel for the Receiver at Allen Matkins Leck Gamble Mallory & Natsis LLP, Attn: Francis N. Scollan, 515 S. Figueroa St. 9th Floor, Los Angeles, California 90071.