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**HAMSTREET & ASSOCIATES HONORED FOR TURNAROUND OF SUNWEST  
MANAGEMENT**

*Turnaround Management Association Names Clyde Hamstreet, Shirley Dunn,  
and Mark Schmidt for Top National Award*

**Portland, Ore. (October 12, 2011)** – For the third time in 17 years members of Portland-based consulting firm Hamstreet & Associates have received national recognition for extraordinary results in the field of corporate renewal. At its conference later this month the Turnaround Management Association (TMA) will present “Turnaround of the Year – Large Company” honors to Clyde Hamstreet, Shirley Dunn, and Mark Schmidt for their work on Sunwest Management, where they served, respectively, as chief restructuring officer, chief financial officer, and operations specialist. The award citation also names professionals from other firms who collaborated with Hamstreet & Associates on the high-profile, complex, and highly unusual bankruptcy and receivership case, including Portland-based Tonkon Torp and The Grassmueck Group.

Sunwest Management was founded in Oregon in 1991. One of the largest privately-held senior living providers in the country, the company financed its rapid expansion in the mid-2000s with easy credit from institutional lenders and \$800 million from private investors. In 2008 collapsing credit markets turned off the faucet of ready money, and Sunwest slipped into a severe cash crisis that threatened the care of 18,000 elderly residents, the jobs of 12,000 employees, and the retirement savings of 1,200 investors. Meanwhile, illegal cash management practices outraged lenders and investors, and eventually attracted

attention from Oregon's Department of Consumer and Business Services and the Securities and Exchange Commission.

Out of cash and targeted by hundreds of lawsuits for foreclosure, securities violations, breach of contract, collections, and other actions, Sunwest engaged Hamstreet & Associates in late November 2008 to serve as chief restructuring officer (CRO) and turnaround advisors. In March 2009, the SEC's lawsuit against the company led the U. S. District Court in Eugene, Ore., to establish a federal receivership and appoint Michael Grassmueck (also named in the TMA award) as receiver. Under the leadership of Hamstreet, the court, and the receiver, Sunwest reorganized in Chapter 11, and in August 2010 completed a \$1.35 billion transaction in which a Blackstone Group and Emeritus Senior Living joint venture acquired 144 properties. This transaction produced full recoveries to secured lenders and 45 cents on the dollar for unsecured and investor claims. The remainder of the Sunwest estate, still in process of administration by the receiver, is expected to yield additional recovery of 15 to 20 cents on the dollar.

"The creation of value through the business operations, the restructuring of \$1 billion in secured debt and the real estate transaction with the Blackstone-Emeritus joint venture were keys to achieving a remarkable recovery for lenders, investors, and creditors," said Mr. Hamstreet. "Ms. Dunn and Mr. Schmidt, along with other members of our firm, were instrumental in persevering through very trying circumstances and seeing the case through to a successful conclusion. The TMA award is a fitting and much deserved recognition of their work."

"The extraordinary results in this case speak for themselves," said Portland attorney Al Kennedy, who with his firm Tonkon Torp led the CRO's legal team and is also named in the TMA award along with co-counsel Ken Stephens. "Before the SEC filed its lawsuit, most investors would have been lucky to recover six cents on the dollar. But once the receivership came into being and we began working with the court, we were able to restructure successfully and get a very good price for the core of Sunwest's business."

Mr. Hamstreet has won top turnaround honors from the TMA twice before, once in 2005 for his service as CRO at Southern States Cooperative, headquartered in Richmond, Va., and once in 1994 for his work with Warm Springs Forest Products Industries.

### **About Hamstreet & Associates**

Hamstreet & Associates is a nationally-recognized business and turnaround consulting firm based in Portland, Ore., which specializes in improving the financial results of underperforming companies and rescuing firms in financial crisis. Hamstreet & Associates serves clients in a wide range of industries, providing financial analysis and advice, assistance in strategic planning, debt restructuring and negotiation with secured lenders, interim management, and operational assessment and turnaround. Hamstreet professionals hold degrees including MBA and Ph.D., and certifications including CPA, CTP (certified turnaround professional), and CIRA (certified insolvency and restructuring advisor). Hamstreet personnel have deep experience in the turnaround field, serving over 100 businesses with a very high rate of success. Firm experience includes more than 50 Chapter 11 cases in numerous districts and positions ranging from director, president, and CEO of the companies served, to CRO, CFO, COO and more. Hamstreet & Associates values high quality, hard work, integrity, and successful results. Learn more at [www.hamstreetandassociates.com](http://www.hamstreetandassociates.com).

### **About the Turnaround Management Association**

The Chicago-based Turnaround Management Association has more than 9,000 members in 48 regional chapters worldwide who comprise a professional community of turnaround practitioners, attorneys, accountants, investors, lenders, venture capitalists, appraisers, liquidators, executive recruiters and consultants.

The TMA Turnaround of the Year Award honors professionals who aid struggling companies by fortifying operations and leadership, improving cash flow and increasing production. Visit [turnaround.org](http://turnaround.org) for more information.

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