

## **STATEMENT ON BEHALF OF GASTON AND TERESITA CANTENS**

It is regrettable that the SEC would so grossly mischaracterize the business difficulties of Gaston and Teresita Cantens and Royal West Properties.

Gaston and Teresita Cantens strongly deny that they have committed any form of fraud.

Like thousands of other honorable business owners, Mr. and Mrs. Cantens were caught in the undertow of a massive collapse of the national real estate market owing to forces that were generally unforeseen by the real estate industry, the financial markets or responsible government agencies.

The use of a term like "ponzi scheme" is a gross mischaracterization and is seemingly being used solely for its headline-grabbing value.

Also far afield from the facts are the claims of \$135 million in losses. The total liabilities according to the Royal West schedules filed with the Bankruptcy Court are approximately \$48.3 million while the assets of the company were listed as close to \$40.0 million. Even accounting for subsequent diminution in asset value, it is clear the measurable losses are far less than the claimed \$135 million.

Royal West Properties, Inc. suffered severe financial losses as direct result of the market collapse which was particularly serious in the Ft. Myers-Cape Coral market which leads the country in foreclosures and property devaluation.

After nearly 30 years in business, Gaston and Teresita Cantens attempted to overcome these problems so that creditors could be paid. The Cantens did everything they could to save Royal West from bankruptcy including the investment of all of their available cash resources in the company. Unfortunately, their efforts were curtailed by one creditor's filing of an involuntary bankruptcy action. The Cantens sympathize with the Royal West creditors who are experiencing these losses and wholeheartedly wish the outcome would have been different. They too have suffered devastating financial losses as a result of Royal West's bankruptcy filing.

Throughout the past 10 months they have worked and cooperated with the bankruptcy trustee to ensure that any assets they have can be used to pay the creditors of Royal West. They have voluntarily transferred to the bankruptcy trustee any assets of value.

As the bankruptcy trustee notes in official court filings:

*The Cantenses and their counsel are cooperating with Trustee Dillworth to resolve potential claims Debtor's estate holds against the Cantenses or entities that they own or control. In that regard, the Cantenses have voluntarily made financial disclosures to Trustee Dillworth regarding their individual and joint assets. ... The Cantenses agreed, without admitting any liability, to transfer these assets that are titled in their name and/or are owned and controlled by them to Trustee Dillworth.*

They will continue their efforts to cooperate with the Trustee for the benefit of unpaid creditors. They will also defend against the claims of securities fraud which they believe are completely unjustified.