

May 5, 2009

Via E-mail: mkessler@investigation.com
and U.S. Mail

Michael G. Kessler
KESSLER INTERNATIONAL
45 Rockefeller Plaza, 20th Floor
New York, New York 10111-2000

Re: *Response to your Follow up Request to Review CALI Financial Records*

Dear Mr. Kessler:

We are in receipt of your correspondence sent to me on Thursday April 30, 2009 by electronic mail. When we requested that you provide us with a stated purpose for your request to review documents pursuant to California Corporations Code section 8333, you advised us of the following:

"As a current member of the Association I am requesting access to these records to assure myself that the many rumors of financial mismanagement; fraud and conflicts of interest by certain CALI board members are unfounded."

Based upon this stated purpose, we have provided you with all of the documents that comply with your stated purpose.

As we pointed out to you in our letter of April 24th, CALI and its Board members rely upon independent CPA review and audit of its business records. This is part of the Board's fiduciary obligation pursuant to California Corporations Code 7231(b). The Corporation Code envisions a management structure for a nonprofit corporation, like CALI, to have all corporate powers exercised by or under the board's direction (Corp Code 7210). It is not feasible nor practical for individual members of the association to attempt to perform the functions of the board and its hired consultants.

Since your stated purpose for wanting to review financial records was to dispel "rumors of financial mismanagement", that purpose is fulfilled by providing you with knowledge that the CALI Board of Directors is relying upon qualified independent consultants who are specialists in this field. In this instance, CALI has retained the services of Rossman MacDonald, & Benetti, Inc., who has been in the continuous practice of public accounting for over 50 years. Rossmann MacDonald & Benetti, Inc. is a member of the Private Companies Practice Section (PCPS) and the Employee Benefit Plan Audit Quality Center (EBPAQC) of the AICPA, the California Society of CPA's, and is licensed by the California Board of Accountancy. They are certainly qualified to competently review and audit CALI's financial records.

Michael G. Kessler
May 5, 2009
Page 2

In addition, we also provided you current financial information as well as the past years Profit & Loss statement. We also provided you with links to obtain all of the other information that potentially is needed to meet your stated purpose. Unless you have information or evidence that these independent CPA's are unqualified to review and audit the company records, then there is nothing to support any concern of mismanagement.

It is simply not practical nor prudent to allow members to conduct their own audits of the associations books and records. CALI budgets and pays to have its books and records reviewed annually and audited every other year as part of its obligation to its membership to ensure financial management is appropriate. In a nonprofit corporation, especially one with more than a thousand members, it is impossible and impractical to allow any member, who for whatever reason has an interest in the association's financial records, to conduct their own audit. While section 8333 of the California Corporations Code does permit a member to review documents for a purpose reasonably related to that member's interests as a member, the Code does not require CALI, or any nonprofit corporation, to permit a member to conduct their own audit of the books and records of the corporation.

If you have any factual information, not unsubstantiated rumors, as to financial mismanagement, please advise either my firm or the CALI office and we can discuss those concerns with the Board of Directors to consider another independent audit of the records. However, any review or audit must be independent and must not involve any member of the association, including you. Most importantly, further CPA review is only appropriate if there is a legitimate basis to support a problem with the current CPA firm.

Based upon your stated purpose, it would appear that the documents and information previously provided comply fully with your request. This information should be sufficient to allay your concerns about the "rumors" which has led you to request for review CALI financial documents.

Very truly yours,



BRAD D. BLEICHNER

cc: CALI Office
Jim Zimmer, CALI President