

VIA E-MAIL

January 15, 2013

Mr. Craig Shoji, President
Executive Committee
ASSE Hawaii Chapter
PO Box 1354
Honolulu, HI 96807

To Mr. Shoji:

This is an update on the progress and status of PKF Pacific Hawaii LLP's ("PKF") engagement with the American Society of Safety Engineers ("ASSE") Hawaii Chapter (the "Chapter") as of January 15, 2013.

We entered into an engagement letter with the Executive Committee of the Chapter on December 6, 2012. Our work focuses on analyzing the financial records of the Chapter to evaluate the Chapter's sources and uses of cash and determine their appropriateness under the Chapter bylaws, the ASSE Chapter Accounting Standard Operating Guidelines, and other governing documents. Our work is segregated into two phases:

- Phase I involves analyzing the financial records of the Chapter for the fiscal year ended March 30, 2012, and transactions through November 2012. We are currently performing the following procedures: 1) agreeing all cash receipts and disbursements from Chapter bank statements to the accounting ledger; 2) locating and agreeing available invoices and documentation to the cash receipts and disbursements; and 3) identifying missing or questionable cash receipts and disbursements, if any. We will verbally share our preliminary findings with the Executive Committee at the completion of Phase I procedures.
- PKF and the Executive Committee will mutually agree as to certain procedures in Phase II. Phase II will include a written report covering our procedures and findings, and may include additional investigation on missing or questionable transactions.

We anticipate completing our Phase I procedures by February 1, 2013.

Please feel free to contact me if you have any questions at 808.441.2803.

Very truly yours,



Patrick H. Oki
Managing Partner