



October 30, 2014

Mayor Pro Tem Jeffrey Lalloway
Councilmember Christina Shea
City of Irvine Great Park Audit Subcommittee
C/O Anthony Taylor, Esq.
Aleshire & Wynder LLP
18881 Von Karman Avenue, Suite 1700
Irvine, CA 92612

Dear Mayor Pro Tem Lalloway and Councilmember Shea:

Given the evident shortcomings and questionable practices of Hagen, Streiff, Newton & Oshiro (HSNO) throughout the Great Park audit, I am writing to inform you that Gafcon has requested that the California Board of Accountancy conduct an investigation into the ongoing Great Park audit.

The preliminary audit report prepared by HSNO and released in January 2014 was found to contain numerous factual inaccuracies, incorrect assumptions and speculative preliminary conclusions, all of which have caused significant harm to Gafcon. The report was recklessly released without factual support or evidence substantiating its findings. In response, Gafcon prepared a full video rebuttal that disproved each allegation brought against our company and the Design Studio, and we have provided the video, its transcription and significant other supporting evidence to the Special Counsel overseeing the audit. In conjunction, Gafcon has repeatedly requested that the City retract the false allegations made by HSNO and correct the flaws in the process. However, the Status Update presented on October 14, 2014 did not correct the record but instead continued the pattern of making unsubstantiated allegations and presenting information in a false, incomplete or misleading manner.

Accordingly, Gafcon believes it has no choice but to request a review of HSNO's work by the Board of Accountancy. The filed complaint and attached exhibits outline the false and distorted findings contained in the preliminary audit report and the departure from professional standards by HSNO during this entire process. Gafcon's reputation has been severely harmed by the output of misinformation caused by the release of the preliminary audit report, which has led us to file this complaint and seek an investigation.

Please note that the filing of this request with the Board of Accountancy will not impact Gafcon's cooperation with the Special Counsel and the investigation. Gafcon will continue to respond to all appropriate investigation requests, including the voluntary production of documents and materials.

Please feel free to contact me if you have any questions regarding the investigation.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul Najjar", written over a light blue horizontal line.

Paul Najjar
Gafcon