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December 19, 2018

Douglas Shively
Inouye, Shively & Klatt CPA's LLP
23041 Avenida DE LA Carlota Ste 310
Laguna Hills, CA 92653-1531

Dear Douglas Shively:

It is my pleasure to notify you that on December 18, 2018, the California Peer Review Committee accepted the report on the most recent System Review of your firm. The due date for your next review is September 30, 2021. This is the date by which all review documents should be completed and submitted to the administering entity.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Thank you for your cooperation.

Sincerely,

Peer Review Committee

Peer Review Program
The Peer Review Program Team
peerreview@calcpa.org 650-522-3094
California Society of CPAs

cc: John Lerias, Jefferey Klatt

Firm Number: 900010098182

Review Number: 559243



Certified Public Accountants  Business Consultants

Report on the Firm's System of Quality Control

Inouye, Shively & Klatt CPAs LLP

Laguna Hills, California;

and the Peer Review Committee of the California Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Inouye, Shively & Klatt CPAs LLP (the firm) in effect for the year ended March 31, 2018. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included an engagement performed under *Government Auditing Standards*.

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As part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Inouye, Shively & Klatt CPAs LLP in effect for the year ended March 31, 2018, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Inouye, Shively & Klatt CPAs LLP has received a peer review rating of *pass*.

GYL DeCauew LLP

Ontario, California
September 14, 2018

