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May 2, 2006

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Mr. William F. Larson
President
Pala International
912 S. Live Oak Park Road
Fallbrook, CA 92028

Re: Website Compliance Report

Dear Mr. Larson:

Enclosed with this letter are the results from the follow-up compliance check we have conducted for your website located at <http://www.collectorfinejewelry.com>.

We are happy to inform you that our recent review of your website revealed that there are currently no clear legal or regulatory compliance problems based on the presentation of jewelry products on your website. Congratulations for this achievement! The JVC values and appreciates new members such as yourself who are helping to maintain the ethics, integrity, and positive reputation of the jewelry industry.

Because most websites change frequently over time, it is our goal to follow-up with additional website compliance checks over the course of your JVC membership. However, if you ever have any questions about the propriety of any material or information on your website, please feel free to contact us for guidance at JVCWebCheck@aol.com.

Please be aware that our review of, and report for your website does not constitute legal advice, and that we cannot guarantee that you are free from any possible liabilities related to the conduct of business on your website. To the extent that you ever have any legal concerns, we recommend that you contact an attorney.

You will soon be receiving a new membership package. Thank you again for your participation in the JVC, and for your commitment to ethical business practices in the jewelry industry.

Sincerely,



Rebecca R. Halperin, Esq.
Assistant General Counsel