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System Review Report

February 5, 2010

To the Owners of
Hinricher & Crasnick, LLP
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 Hinricher & Crasnick, LLP (the firm) in effect for the year ended May 31, 2009. 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. 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. 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. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards* and audits of employee benefit plans.

We noted the following deficiencies during our review:

1. Deficiency — the firm's policies and procedures require that "expectations" be adequately documented on review engagements. However, the firm failed to adequately document such "expectations" on such engagements.

Recommendation — the firm should review its third party provider practice aids and implement the use of its form designed specifically for the documentation of "expectations," actual results, comparison, evaluation and conclusion.

In our opinion, except for the deficiency described above, the system of quality control for the accounting and auditing practice of Hinricher & Crasnick, LLP in effect for the year ended May 31, 2009, 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*. Hinricher & Crasnick, LLP has received a peer review rating of *pass with deficiency*.

Paul H. Glass Accountancy Corporation