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J.V. LECLERE KRENTEL - DECEASED

System Review Report

June 21, 2011

To Michael Jones, CPA
Michael Jones & Company
and the Peer Review Committee of the Society of Louisiana Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Michael Jones & Company (the firm) in effect for the year ended November 30, 2010. 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.

We noted the following significant deficiencies during our review:

Deficiencies—The firm failed to comply with its quality control policies and procedures in the areas of leadership, acceptance of client relationships and specific engagements, human resources, and engagement performance. As a result, the firm did not perform and document its only audit engagement in accordance with professional standards and the documented audit work performed did not support the audit opinion issued by the firm.

Recommendation—The firm should strictly conform to its quality control policies and procedures and should perform and document all audit engagements in accordance with professional standards. Unless the firm subsequently performs and documents all adequate audit procedures to support the opinion issued, it may want to consider the recall of the related audit report and financial statements.

In our opinion, as a result of the significant deficiencies described above, the system of quality control for the accounting and auditing practice of Michael Jones & Company in effect for the year ended November 30, 2010, was not suitably designed or complied with to provide the firm with reasonable assurance of performing and/or reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of pass, pass with deficiency(ies), or fail. Michael Jones & Company has received a peer review rating of fail.

Ericksen, Krentel & LaPorte LLP

Certified Public Accountants