

Christopher T. Harrison
E-mail: charrison@cades.com

February 23, 2011

**BY EMAIL WITH CERTIFIED MAIL RETURN
RECEIPT REQUESTED TO FOLLOW**

Jim Cahill
16049 Penny Lane
Homer Glen, IL 60491
jmcahill121@aol.com

Charlie Johnson
11433 Buttemer Road
Phelan, CA 92371
charlie@cnjohnson.com

Carol Nelson
990 Cupids Knoll
Monmouth, OR 97361
sokco@minetfiber.com

John Oliver
14533 Magdalen Avenue
White Rock, BC V4B 2X5
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Tom Podl
12479 Wye Lake Boulevard SW
Port Orchard, WA 98367
tpdziadzus@aol.com

Jay Solomon
201 Sea Pines Lane
Bellingham, WA 98229
jayh.solomon@gmail.com

**Re: Demand for Retraction Concerning The ASNY Company, LLC
and Arthur Spector**

Dear Ms. Nelson and Messrs. Cahill, Johnson, Oliver, Podl and Solomon:

This law firm represents The ASNY Company, LLC ("ASNY") and Arthur Spector. We have been provided with the enclosed document prepared by the "Sands of Kahana Concerned Owners Committee" that identifies each of you as a member of this committee.

The enclosed document contains the following statement: "When ASNY (Arte Spector of New York) took 13 of his companies into bankruptcy...." This statement falsely implies that ASNY and Mr. Spector have filed for bankruptcy. ASNY itself and Mr. Spector have never filed for, nor otherwise been placed into, bankruptcy. The statement continues with references to Consolidated Resorts Management and Soleil Management that imply an improper purpose or conspiracy on the part of ASNY and Mr. Spector regarding the reason these companies did not file for bankruptcy. These statements damage the reputation of ASNY and Mr. Spector and expose them to financial harm, including interference with business relationships. In particular, our clients take very seriously, and will aggressively pursue all appropriate recourse against, any statements that imply they are part of any alleged conspiracy in any manner.

Jim Cahill
Charlie Johnson
Carol Nelson
John Oliver
Tom Podl
Jay Solomon
February 23, 2011
Page 2

We understand that the enclosed document has been sent by you to numerous third parties (the "Recipients"). Accordingly, on behalf of ASNY and Mr. Spector, we demand that you immediately cease and desist from any further similar statements and retract these statements by sending the following retraction to all the Recipients:

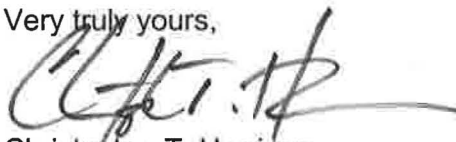
We recently sent to you a letter dated February 14, 2011, from the "Sands of Kahana Concerned Owners Committee." This letter contained a statement that incorrectly implied that The ASNY Company, LLC (sometimes referred to as ASNY) and/or Arthur Spector had filed for bankruptcy. We would like to retract that statement and clarify that neither ASNY itself nor Arthur Spector has ever filed for, or otherwise been placed into, any bankruptcy proceedings. The letter contained additional statements that implied an improper purpose on the part of ASNY and Arthur Spector regarding the reason Consolidated Resorts Management and Soleil Management did not file for bankruptcy. We would like to retract those statements as well. We apologize for any misunderstanding or confusion that the original statements in our letter may have caused.

If you do not comply with the above demands, and confirm in writing to the undersigned that you have done so by 4:00 pm, Hawaii Standard Time, on Friday, March 4, 2011, then our clients will have no alternative but to take appropriate legal action against you in state or federal courts. You should be aware that in the event our clients seek court action, they will further request an award of damages and that you reimburse them for their legal fees and expenses in this matter.

This letter does not waive, affect or impair any claims or defenses of ASNY or Mr. Spector, all of which are expressly reserved, including claims with respect to any other statements contained in the enclosed document.

Please give this matter your immediate attention.

Very truly yours,



Christopher T. Harrison
for

CADES SCHUTTE
A Limited Liability Law Partnership

Enclosure

SOK CONCERNED OWNERS COMMITTEE

February 14, 2011

Dear SOK Timeshare Owner:

THE BACKGROUND Our committee was formed several years ago because we were upset with the way our timeshare was being run and controlled by Consolidated Resorts, Inc. ("CRI") Our website www.sokco.info is a diary of what we have experienced with CRI:

- Their **minimal** disclosure of financial matters,
- Their **non-transparent** elections of Board of Directors
- Their **reservations policies**.
- Their use of **premium units for their own sales showrooms** and offices without reimbursing T/S Owners adequately for the use of such units

Please check out our website!!!! www.sokco.info

When ASNY (Arte Specter of New York) took 13 of his companies into bankruptcy (see our website), he saved two companies from the bankruptcy. Consolidated Resorts Management (manages the Sands of Kahana) and Soleil Management (manages the Las Vegas resorts). When you call the management company, they answer the phone as Soleil Management presumably because of the stigma attached to the CRI name due to the Bankruptcy. We believe that these two management companies remained in business to manage the properties and to protect lucrative incomes that they generate from the Time Share operations

CONTROL OF THE ROSTER OF MEMBERS

We have tried many times to get the roster of members to solicit votes for timeshare owners. This is allowed in our by-laws. They have refused. Finally, a whole owner at the SOK took them to court for this very matter. After a judgment, then an appeal, he finally got the roster and payment of attorney fees this last December and early January. However, they gave him a list that is five (5) years old or more and the addresses for everyone was 4299 Lower Honoapiilani Rd. Lahaina, Maui HI. The judge warned them not to do this and they did it anyway. Now they are going back to court on February 17 and the attorney is going to ask for fines levied against the individual Board of Directors until the list is handed over properly.

HOW YOU CAN ASSIST US! We are asking you to assist us in **UNSEATING** the three (3) current members of the Board of Directors who are up for re-election. They purport to represent us when in

fact **two** are ex-members of **CRI** who now work for **ASNY** and one handles all the insurance for Consolidated Resorts Management .

We are asking you to assign your proxy/ballot to Charlie Johnson . It is included with this letter. We will nominate from the floor 3 candidates, Charlie Johnson, Carol Nelson and Pat Sullivan. Charlie will vote for two or three of these people depending on the number of proxies we have. These people know what has transpired for many years and what it will take to change things around. This will **FOR THE FIRST TIME** give the Timeshare Owners control of **THEIR OWN** Board of Directors. In order to assure your votes are counted accurately, we are asking you to **fax** your ballot to:

Charlie Johnson, 760-269-3150

He will check your ballots, run a tally and then deliver them to Consolidated Resorts Management. There is absolutely **no transparency** in the election they run.

FILLING OUT YOUR BALLOT:

(1) Your **account number** found on your statements and if a **trust or company** owns it you must print that name on the Ballot and then sign as the representative of said trust or company.

(2 If you own 1 week of timeshare, you are entitled to 3 votes. If you own 1 week every other year you are entitled to 1 ½ votes. They may all go for one person or 3 different people. **We are asking you to allow Charlie Johnson to vote your votes.** The ballot you are receiving has him named as the proxy holder instead of the SOK VC Board of Directors. We will nominate from the floor Charlie Johnson, Carol Nelson and Pat Sullivan. He will vote your proxies for the # of people that he thinks can successfully make it on the Board based upon the # of proxies we receive. **Thank you for your support!**

If you have **already voted**, you may send this ballot in with our recommendations as only the ballots with the latest dates are counted.,

Please send Carol Nelson **your email address** so we may keep you in the loop at sokco@minetfiber.com.

Your Sands of Kahana Concerned Owners Committee

Jim Cahill, 16049 Penny Lane, Homer Glen IL 60491 / 708-301-1329/ jmcahill121@aol.com

Charlie Johnson, 11433 Buttemer Road, Phelan, CA 92371 / 760-868-2080/ charlie@cnjohnson.com

Carol Nelson, 990 Cupids Knoll, Monmouth, OR 97361 / 503-838-1695/ sokco@minetfiber.com

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Jay Solomon, 201 Sea Pines Lane, Bellingham WA, 98229 / 360-733-2400/ jayh.solomon@gmail.com

Sands of Kahana Vacation Club

PROXY

Annual Meeting – March 2, 2011

PROXY

The undersigned does hereby constitute and appoint CHARLES N. JOHNSON as the undersigned's attorney and agent, with full power of substitution, to act in the undersigned's name, place and stead, and to vote as the undersigned's proxy at the March 2, 2011 annual meeting of the Sands of Kahana Vacation Club and any and all adjournments thereof, for the transaction of any and all business that may come before the meeting, including the election and re-election of Directors, according to the interest that the undersigned would be entitled to vote if then personally present, hereby revoking any proxy or proxies heretofore given, and ratifying and confirming all that said attorney and agent may do by virtue thereof. In the event that any person or entity other than the Vacation Club is designated as the undersigned's attorney and agent as aforesaid and said person or entity is neither present at the aforesaid meeting nor has timely appointed a substitute in writing, then the undersigned constitutes and appoints the Vacation Club as the undersigned's attorney and agent to act in the undersigned's name, place and stead. I/we hereby instruct my/our proxy holder to vote my/our week(s) at the annual meeting of the Sands of Kahana Vacation Club. If you direct that your proxy is to be voted in a certain way for Items 1 and 2, the proxyholder shall be required to vote as directed. If you do not direct your proxy to vote in a certain way, the proxyholder may vote for you as he or she deems appropriate.

Item 1: CLUB BOARD ELECTION: There are three (3) positions to be filled on the Club Board of Directors. You may select from the candidates listed below that have been nominated by the nominating committee from the owners that indicated their desire to serve on the Board of Directors, or you may write in candidates of your choice and if such person is nominated at the meeting, the Vacation Club will vote for your candidate(s). Please indicate the number of VOTES for each candidate in the space to the right of each line. Election of Directors is by cumulative voting. This means that you have as many votes as there are positions to be filled (three positions in this case) for each week that you own. (For example, if you own two weeks, you have a total of six votes that you can cast).

CANDIDATES (Candidate Statement/Information is enclosed)

Name of Candidate	Number of Votes
• Glenn T. Stockton, II	_____
• Johnnie Santiago	_____
• Arthur (Chris) York	_____
_____	_____
_____	_____

• INCUMBENT BOARD DIRECTOR

Item 2: RESOLUTION ON ASSESSMENTS: There is a standard resolution that must be considered and adopted every year in order to make a proper filing of our tax return. The resolution covers maintenance fees and unrelated income paid during the year. We collect maintenance fees from all of our owners on an annual basis to cover the cost of operating and maintaining the Resort. At year-end, we may have a balance in our checking account, operating reserve account and other specific accounts that will carry forward to the next year. Present tax rulings indicate that these funds, if not specifically designated to be used in the following year, would be taxable. Consequently, the following resolution to cover the rollover of these funds meets the necessary requirements. This resolution has been approved by the members every year in which a quorum has been present at the annual meeting and the Board recommends approval.

Approve Not Approve

"Resolved by the owners of the Club, That the amount by which each member's assessment in 2011 exceeds the total payments of the Club for maintenance, repairs and other expenses and capital expenditures of the Club as the board of directors has appropriately paid or determined payable, shall be applied to regular member assessments in the year 2012."

PRINTED NAME(S) OF OWNER(S)

SIGNATURE(S) OF OWNER(S)

DATE SIGNED: _____

OWNER NUMBER: * _____

WEEKS OWNED: _____

Please sign your name as it appears in the Club records. Executors, administrators, trustees, guardians, conservators corporate officers are to add their titles and, if not already done, submit a copy of their appointment.

***IF UNKNOWN, I/WE AUTHORIZE THIS PORTION OF MY/OUR PROXY TO BE COMPLETED BY THE CLUB IN ACCORDANCE WITH ITS RECORDS.**

Proxies for the annual meeting must be received by the Vacation Club no later than 11:00 am (HST) Monday, February 28, 2011. You may fax your proxy to Charlie Johnson at 760-269-3150.