

**CALIFORNIA
PRISON HEALTH CARE
RECEIVERSHIP CORP.**

J. Clark Kelso
Receiver

April 18, 2008

Gary B. Smalling, Pharmacist I
California Men's Colony
San Luis Obispo, CA

Dear Mr. Smalling:

Thank you for providing input on the Receiver's Plan of Action. Your comments relating to the implementation of the Guardian pharmacy software have been carefully reviewed.

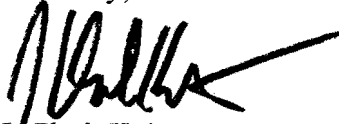
As you are undoubtedly aware, the changes in the pharmacy program for CDCR are just one part of a comprehensive overhaul of the correctional health care delivery system that is clearly required and documented in the Court record. The Court found that the CDCR pharmacy system had repeatedly been reviewed and audited over several years, with little or no improvements. A key finding of many of those reviews was an ineffective, outdated pharmacy information system that did little to protect patient safety and ensure an appropriate level of accountability.

The Guardian pharmacy operating system, although not specifically designed for the correctional environment, was selected based on its demonstrated ability to make improvements in both patient safety and accountability. This selection was made by the Receiver as a necessary interim measure while a fully integrated clinical health records repository is developed.

Be assured that the Receiver and his staff are monitoring the entire improvement process carefully and will make adjustments determined to be necessary as we continue to move forward.

Finally, this office takes very serious any accusations of impropriety by anyone associated with the reform efforts. However, to offer such allegations while at the same time admitting you have "absolutely no proof" is irresponsible and could be viewed as an attempt to undermine the Court's reform efforts.

Sincerely,



J. Clark Kelso
Receiver