



CALISTA CORPORATION
www.calistacorp.com

October 23, 2013

Public Censure of Director Arthur Heckman and Disclosure of Violations and Sanctions

Calista Corporation announces that after an extensive investigation, its Ethics Committee found unanimously that Director Arthur Heckman committed various violations of his statutory fiduciary duties of care and loyalty as a Director as well as of Calista's Code of Business Ethics for Directors.

Specifically, these violations include claiming and receiving unauthorized and excessive stipends and per diem, incurring excessive lodging and related expenses, aiding and abetting improper hiring, improper nominating committee conduct, and irresponsibly failing to appear for the Calista Call-In Show on KYUK, at a cost to Calista. Director Heckman also issued a false statement regarding the reason for canceling Calista's June 2012 annual shareholder meeting. Most importantly, however, the Ethics Committee has found that Director Heckman voted to falsify corporate meeting minutes in two instances. All of this conduct is a serious violation of Director Heckman's duties as a Director of Calista.

Accordingly, the Board of Calista Corporation has determined that Director Heckman's conduct constituted a violation of his statutory duties of care and loyalty as a Director as well as of Calista's Code of Business Ethics for Directors, and that such conduct warrants a response designed to stop such conduct and ensure that similar conduct does not occur in the future. Accordingly, the Ethics Committee unanimously recommended and the Board enters the following sanctions against Director Heckman:

- (i) Public censure of Director Heckman and disclosure of violations and sanctions;
- (ii) Cessation of Director Heckman's corporate benefits and compensation for four months;
- (iii) Require that Director Heckman reimburse Calista for his improper and excessive costs in the amount of \$7,143.03; and
- (iv) A request that Director Heckman resign from the Calista Corporation Board of Directors.

This letter is being made part of the public record. Consequently, disclosure of this censure letter will be available and/or furnished to shareholders and others.

Willie Kasayulie
Chair, Board of Directors