



CALISTA CORPORATION  
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October 23, 2013

Public Censure of Former Director Felix Hess and Disclosure of Violations and Sanctions

Calista Corporation announces that after an extensive investigation, its Ethics Committee found unanimously that former Director Felix Hess 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 improper nominating committee conduct, and irresponsibly failing to appear for the Calista Call-In Show on KYUK, at a cost to Calista. Most importantly, however, the Ethics Committee found that former Director Hess voted to falsify corporate meeting minutes in two instances. All of this conduct is a serious violation of former Director Hess's duties as a Director of Calista.

Accordingly, the Board of Calista Corporation has determined that former Director Hess'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 former Director Hess:

- (v) Public censure of former Director Hess and disclosure of violations and sanctions; and
- (vi) Require that former Director Hess reimburse Calista for his improper and excessive costs in the amount of \$559.61.

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