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R. Cromwell Coulson

President

Pink OTC Markets Inc.

304 Hudson Street

New York, NY 10013

Re: Known Recent Improper Actions with Caveat Emptor

Dear Mr. Coulson:

As you may recall, I wrote you two weeks ago concerning improper assignment of Caveat Emptor designations for four companies. Do you recall my concern over these actions?

All of these companies were biotech companies, all had evidences of naked short selling, and all had the Caveat Emptor designation placed during the same time frame, arguably without just cause.

We did not have the courtesy of a response so I took the liberty of talking to your Caveat Emptor compliance people again. They told me that they were going to “stand pat” and refused to give me any information as why my client, Hard to Treat Diseases, Inc., had the Caveat Emptor designation placed or as to when or how it might be removed. Does that lack of information sound fair to you? How would you feel if you were the company involved?

I must tell you now, most alarmingly, we have just uncovered another company that meets the same fact pattern, a biotech company, strong evidence of naked short selling, no good reason for Caveat Emptor known, and the designation placed in the same time period! Does this not seem to you as a most unusual fact pattern for five companies at one time?

Mr. Coulson, now it even more strongly seems that the more we look at these facts, the more we find highly suspicious coincidences. Suspicion only feeds on lack of information and as no information has been provided to us here, things can only get worse here, don't you agree?

Further, if you will be kind enough to permit me an observation, it seems to me that you are exercising the functions of a securities regulator without any of the usual safeguards that the law affords the public in such circumstances: there are no rules given to govern your actions, no notice and hearing provided, no right to confront any accusers and their accusations, and no provision for review of these actions.

In actual fact, all my efforts to communicate in this circumstance have been vigorously and thoroughly "stonewalled." As to the five companies mentioned above, to my knowledge, none had prior notice, few facts were provided, if any, and none of these companies was ever given much if any chance to dispute the decision.

Mr. Coulson, I do not believe the law will allow anyone such unbridled discretion, do you?

This is particularly true where the damages for wrongful exercise of this authority are very large. As I mentioned before, the decline in the market value for the first four companies is some \$250 million and the fifth company is about to be destroyed utterly for no good reason.

While there have been billions of dollars committed to other Chinese biotech companies like my client just in the last month, including some \$125 million to my client's partner from a \$45 billion pharmaceutical company, my client cannot get any serious investor attention at all because it is labelled a "toxic" company by Pink Sheets. Help me to understand, Mr. Coulson, how are our investors benefitted by this?

If in fact we are concerned about protecting investors in the market we are much perplexed by these actions which can only benefit one illegal naked short seller targeting one industry in one time frame.

I believe that you were a market maker earlier in your career. Would you agree with my assessment here that an illegal naked short seller of biotech stocks had tens of millions of profit here in these five stocks in the last few months? You do clearly understand, as I do, do you not, that this criminal naked short seller specializing in biotech stocks will make more huge profits if these Caveat Emptor designations are allowed to continue? Are not legitimate investors being gouged by the actions of one criminal short seller? Do you not have as your overriding concern the protection of investors from such criminals? Naturally, we believe that you do and so we continue to hope that some immediate action will be taken to remedy these matters.

At the very least, Mr. Coulson, when the problems besetting small companies like this become known – massive illegal naked short selling, anonymous paid stock bashers defaming companies on chat sites, capricious and arbitrary regulation – wise entrepreneurs will shun your market and capital formation and economic development will be permanently stunted in the United States.

Please Mr. Coulson, I ask you, I beg you, to carefully consider these matters. Despite the damage done already to my client, we have no animosity toward your organization. Rather, we consider that you are performing a considerable public service. We have nothing to gain in this situation by resorting to litigation or some other adversarial action which would be expensive and time consuming. We do not consider that we have anything to gain if your reputation for protecting investors is tarnished and we wish to avoid any of that, which is why we repeatedly appeal to you directly. Our only interest here is to address the legitimate concern of our client.

We again respectfully ask, therefore, that you review these matters. At the very least, you should be providing information as to how we may correct our designation, should you not?

Please allow us to suggest that you should also be providing the safeguards mentioned above: known rules, prior notice and hearing, right to confront any accusers and their accusations, and provision for review. Anything less is bound to cause needless conflict, isn't it?

Be that as it may, my client has indicated, and some of the other companies involved have indicated, that they wish to proceed with other remedies. If a man holds a knife to another man's throat and refuses to even consider removing it, he can hardly complain when that man considers he is in a life or death battle and fights back with all the resources at his command, can he?

Please, Mr. Coulson, I beg you again to take some reasonable action before the situation proceeds to further needless damage for all concerned.

Most sincerely yours,

Bradley E. Essman, Esq.