

December 2, 2003

To the Board of Directors of the Pelagic Shark Research Foundation:

I write to apologize for my conduct in connection with my duties as both a member of the Board of Directors and as Director of Research of the Pelagic Shark Research Foundation ("PSRF").

It is important to acknowledge the role of PSRF in the research project concerning movement and behavioral patterns of great white sharks off the central California coast which involved the use of satellite tags ("Satellite Study"). Some of the data from this research was incorporated in a research paper published in the Journal Nature entitled *Expanded Niche for White Sharks*, of which I was a co-author. In addition, I am also using the data to support the thesis I am drafting as part of my graduate studies at the University of California, Santa Cruz ("UCSC").

I first became acquainted with PSRF in the course of my graduate studies at the Moss Landing Marine Lab. In 1996, I began working with PSRF on its boat and accompanied its members to assist them with the projects they were pursuing at Ano Nuevo Island. These projects involved the tracking and tagging of great white sharks for research purposes. It was on these trips that I first engaged great white sharks and learned the practices involved in luring and tagging them.

In the course of my work with PSRF as a volunteer, PSRF offered me an unpaid position on its Board of Directors and I accepted the position of Research Director. I accepted these positions not only because I enjoyed the experiences I was receiving in connection with shark research but also because I believed they would benefit me in connection with my ability to conduct field work were I admitted to UCSC to pursue graduate studies. PSRF offered me the only available platform at the time to engage in the field study of great white sharks in the Monterey Bay. Had I elected not to participate with PSRF, it would have been necessary for me to have made other logistical and administrative arrangements to conduct shark research.

I subsequently did gain admission to UCSC with the full knowledge and support of PSRF and PSRF gave me its assurances that my role with it would be complimentary to my thesis work on the migratory patterns of great white sharks.

In 1996, PSRF began working with UCSC Professor LeBoeuf and UC Davis Professor Klimley on a great white shark tracking study using acoustic transmitters. I was taking graduate course work as a student at Moss Landing Marine Labs when, as a PSRF member, I participated in this study. This study was done under a NOAA permit originally obtained by Dr. David Casper, of UCSC, which allowed PSRF and the other participants to undertake the study. It was in the midst of this study that I gained admission to UCSC's graduate research department, however I continued to work with PSRF in the positions I had always held.

In late 1998 I initiated a discussion with PSRF's Board of Directors to open a bank account that could be used to cover costs I incurred in connection with the pursuit of various great white shark projects on PSRF's behalf as its Director of Research. As I understood the arrangement, I was also free to use equipment purchased with PSRF funds in connection with my thesis research. The other members of the Board of Directors of PSRF signed a document permitting the account to be established, and on December 18, 1998, the account was opened and titled to PSRF, a tax exempt not for profit corporation.

When I learned of the initiation of the Satellite Study by other shark researchers (including the Point Reyes Bird Observatory ("PRBO") which was undertaking its research at the Farallon Islands), I informed PSRF of my desire to become involved in a collaborative effort to place satellite tags on great white sharks as part of my graduate studies. I encouraged PSRF's participation as well and offered to serve as a Principal Investigator on the Satellite Study on behalf of PSRF.

Partial funding for the Satellite Study, which involved the use of satellite tags costing approximately \$3,500 each, was obtained from grants made to PSRF, as well as from private donors identified by PSRF's members. Members of PSRF engaged in fund-raising to pursue the Satellite Study. PSRF's Board of Directors raised \$7,200 from two individual donors specifically for the purpose of purchasing two satellite tags for use in the Satellite Study. I wrote grant proposals on behalf of PSRF. Two of the grant proposals were accepted, one from the Norcross Foundation and another from the Barbor Foundation. Both grants were in the amount of \$5,000 and all funds were deposited into PSRF's account administered by me.

Over the course of the Satellite Study, these funds were used to purchase three satellite tags, satellite uplink time, and to pay general expenses incurred in spending days on the water in order to tag great white sharks in connection with the Satellite Study.

Three of the six sharks that were analyzed as part of the Satellite Study were tagged at Ano Nuevo Island with PSRF tags, from a PSRF boat, manned by a PSRF crew, of which I was a participant, both as a PSRF member and a UCSC graduate student. The permit issued by the National Oceanic and Atmospheric Administration numbered ("NOAA") MBNMS-20-1999 was issued to PSRF and listed all members of PSRF's Board of Directors as a principal investigators. It was this permit, which granted PSRF the authority to lure great white sharks in the Monterey Bay National Marine Sanctuary, that was used to conduct the field research at Ano Nuevo Island on which the Satellite Study was, in part, based. The other sharks that were tracked as part of the Satellite Study were tagged by me at the Farallon Islands in a collaborative effort with PRBO and Hopkins Marine Institute.

At the time the field work was done at Ano Nuevo Island on the Satellite Study, PSRF was the only entity permitted by NOAA to lure great white sharks in the Monterey Bay National Marine Sanctuary. Hence, it was the only platform available for one to gain access to the great white sharks there at the time.

During the course of the Satellite Study and the field work being undertaken at Ano Nuevo Island, I led the members of PSRF to believe that, in addition to my status as a UCSC graduate researcher, I was working on the Satellite Study on behalf of PSRF and represented to its members that I was to be a primary author. Before any sharks were tagged, the PRBO co-authors and I sent an e-mail to all other co-authors of the Satellite Study in an effort to reach an agreement as to attribution related to authorship and collaborators on the Satellite Study. PSRF was not included on the e-mail distribution chain and no one at PSRF was provided a copy of this e-mail prior to today. My affiliation with PSRF was disclosed in the e-mail in order to convey that satellite tags would be deployed by PSRF at Ano Nuevo Island. However, I did not act to preserve any attribution rights whatsoever for PSRF in the e-mail agreement. Instead, I preserved the same for myself without indicating affiliation, just as the other co-authors did not indicate their affiliation.

I cannot admit that my stewardship of the PSRF bank account, on which I was the sole signator, was completely inappropriate. I used the account for PSRF expenditures and my thesis-related equipment costs, including the purchase of photographic and computer equipment for my own research use, as I understood the arrangement. I spent approximately \$12,580 on such items and have continuously maintained exclusive possession of them. To date, I have refused to surrender these items to PSRF.

At the time that I made these expenditures, I was unaware that I owed a fiduciary duty to account to PSRF for activity in this account and to expend funds on behalf of PSRF exclusively. Accordingly, I never made an accounting of the disbursements of the funds and PSRF did not learn of all the disbursements until they seized the account in late 2001.

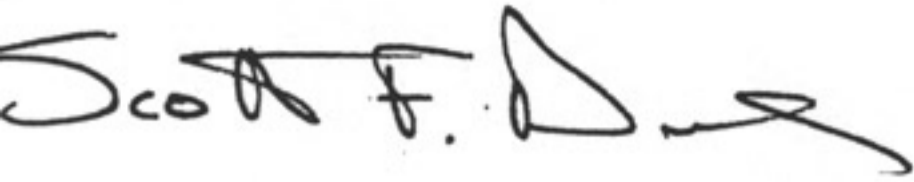
Ultimately, an article was published in the Journal Nature related to the Satellite Study. The article did not identify my contribution as a co-author in my capacity as Director of Research with PSRF because I never revealed it to either the Journal Nature or the other co-authors of the article (who were, nonetheless, aware of my affiliation with PSRF, which was disclosed in the e-mail referenced above.) The reason I did not advise the Journal Nature of my dual affiliation, after first having offered to do so to PSRF's Board of Directors, was because of a disagreement with PSRF's Board of Directors over authorship. Instead, my affiliation as a co-author was listed as "UCSC." This was inappropriate and unfair in light of the contributions of PSRF to the Satellite Study and my assurances to its Board of Directors that I was acting on its behalf in connection with the Satellite Study. I should have listed my joint affiliation with UCSC and PSRF.

I deeply regret not having listed my dual affiliation with UCSC and PSRF on the Satellite Study published in the Journal Nature. As matters have turned out, I also deeply regret that the way in which I administered PSRF's bank account.

Finally, I apologize for any harm that I may have caused PSRF or its members to suffer in the academic community or the community at large. Having first hand experience with PSRF, I

know of its passion for greater understanding of pelagic sharks and its contributions to greater public awareness of these magnificent creatures. I recognize the unique role that PSRF has regarding the protection of these pivotal creatures of the sea. I wish PSRF and its members every success in their further endeavors.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott F. Davis". The signature is stylized with a large initial "S" and a long, sweeping underline.

Scott F. Davis