

# Securities Counselors, Inc.

The Securities Professionals

for Private and Public Issuers, Shareholders and Funding Sources

December 12, 2012

VIA TELECOPIER TO CAPA FOR FILING ON OTC MARKETS/PINK

OTC Markets Group, Inc.  
304 Hudson Street -- 2<sup>nd</sup> Floor  
New York, New York 10013

**Re: Capital Art, Inc. Attorney Letter with Respect to Adequate Current Information;  
Quarterly Disclosure Statement for the Period Ended September 30, 2012**

Gentlemen:

This letter is written on behalf of Capital Art, Inc., a Delaware corporation (the "Issuer"). OTC Markets Group, Inc. ("OTC Markets") is entitled to rely on such letter in determining whether the Issuer has made adequate current information publicly available within the meaning of Rule 144(c)(2) under the Securities Act of 1933 with regard to Issuer's common stock (the "Securities"). This law firm (hereafter "Firm") is a professional corporation, incorporated in the state of Illinois and the undersigned counsel (hereafter "Counsel") is a U.S. resident and have been retained by the Issuer for the purpose of rendering this letter and related matters. We serve as corporate and securities counsel to the Issuer. This Firm has no relationship with the Issuer other than as attorney-client and, other than its members, has no existing or prior relationship with any prior counsel of Issuer.

Without relying on the work of other counsel, we have examined such corporate records and other documents and such questions of law as considered necessary or appropriate for purposes of rendering the letter and have relied on information obtained from public officials, officers of the Issuer and other sources believed to be reliable. In connection with rendering this opinion, we have investigated such matters and examined such documents as deemed necessary. In examining the documents, we have assumed the genuineness of signatures (both manual and conformed), the authenticity of documents submitted as originals, the conformity with originals of all documents furnished as copies and the correctness of facts set forth in such documents.

Counsel is authorized to practice law in the state of Illinois and is permitted to practice before the Securities and Exchange Commission (the "SEC") and has not been prohibited from practice before such agency. In connection with the preparation of this letter, we have reviewed the following documents in connection with the preparation of the letter (the "Information"), the dates that such documents were posted on OTC Disclosure and News Service ("OTC News Service" and formerly "Pink Sheets News Service") reflected in parentheses:

~ Issuer, formed in Delaware on September 20, 2004, has undertaken to provide the most up-to-date information. In so doing, Issuer has submitted publicly, over time, the following documents to enable placement on OTC News Service (formerly Pink Sheets News Service) as current information through full corporate public disclosure, including its most recent Annual and Quarterly Reports. This Information has been made available and verified by the appropriate officers and will be made available through the OTC Markets disclosure platform and includes not less than the following:

~ We have reviewed the following documents with regard to the Issuer's Continuing Disclosure Obligations:

- Issuer's Quarterly Information and Disclosure Statement for the period ended September 30, 2012, posted Nov 14, 2012;
- Issuer's Quarterly Information and Disclosure Statement for the period ended June 30, 2012, posted August 19, 2012;
- Issuer's Quarterly Information and Disclosure Statement for the period ended March 31, 2012, posted May 15, 2012
- Issuer's Annual Disclosure Statement for the period ended December 31, 2011, posted April 5 and amended and posted April 18, 2012.
- Issuer's Quarterly Information and Disclosure Statement for the period ended September 30, posted November 14, 2011;
- Issuer's Quarterly Information and Disclosure Statement for the period ended June 30, posted August 14, 2011;
- All material contracts associated with the Issuer;
- Issuer's Initial Information and Disclosure Statement for the period ended May 9, 2011, posted June 8, 2011;
- Issuer's Annual Report for period ended December 31, 2009 and 2010, posted April 9, 2012;
- Issuer's corporate Bylaws filed with OTCM April 9, 2012; and
- Issuer's Articles of Association and associated Amendments, filed with OTCM June 16, 2011.

The Information, in our opinion, having so reviewed the above enumerated documents, (i) constitutes "adequate current public information" concerning the Securities and the Issuer and "is available" within the meaning of Rule 144(c)(2) under the Securities Act, including its dissemination on OTC Markets' disclosure platform; (ii) includes all of the substantive information that a broker-dealer would be required to obtain from the Issuer to publish a quotation for the Securities under Rule 15c2-11 under the Securities Exchange Act of 1934 (the "Exchange Act"); (iii) complies as to form with the OTC Markets Guidelines for Providing Adequate Current Information (current version dated January 14, 2011) which are located on the Internet at [www.otcm Markets.com](http://www.otcm Markets.com); and (iv) has been posted on the OTC News Service.

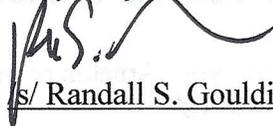
Please be advised that:

- Mr. David Morton, the Issuer's CFO, is the person responsible for preparation of the consolidated financial statements contained in the respective Information and the financial statements, and has an advanced level certification in accounting as well as 9 years experience in preparing the Issuer's books and financials. These quarterly financials were prepared internally by Mr. Morton. While unaudited, all information has been provided in accordance with generally accepted accounting principles ("GAAP") standards.
- The Issuer's transfer agent is Island Stock Transfer, Inc., Roosevelt Office Center, 15500 Roosevelt Boulevard—Suite 301, Clearwater, Florida 33760 (the "Transfer Agent"). Counsel has received from the Transfer Agent its Statement of Company Number of Outstanding Shares consistent with that set forth in the Information (the reported shares are nearly 100,000 shares greater than that reflected by the Transfer Agent, given that there are shares in the process of being issued, pending paperwork). We further confirmed with the Transfer Agent that the number of common shares of the Issuer issued and outstanding at September 30, 2012 is reconcilable with the corporate records of the Issuer.

- A Firm member (i) personally met during February 2012 in London with a majority of the members of management and members of the Board of Directors, respectively, of the Issuer and discussed same with the other member of the Issuer's Board and its management (in April 2012), (ii) reviewed the Information, as amended, published by the Issuer on the OTC News Service and (iii) discussed the Information with at least a majority of the Issuer's members of management and its Board of Directors.
- To the best of our knowledge, after inquiry of management and the directors of the Issuer, neither the issuer nor any holder of 5% of the Issuer's Securities, is currently under investigation by any federal or state regulatory authority for any violation of federal or state securities laws.

No person other than OTC Markets is entitled to rely on this letter but grants OTC Markets full and complete permission and rights to publish the letter in its OTC News Service for viewing by the public and regulators. We express no opinion as to the applicability to or compliance with any state securities or "blue-sky" laws. In addition, this letter is given and current as of the date set forth above and is restricted to the stated facts and circumstances presented to us and described herein, and that any other or different facts and circumstances might require a different letter, and we assume no, and hereby disclaim any, obligation to update or supplement this letter to reflect any facts or circumstances that may hereafter come to our attention or any changes in laws that may hereafter occur or which occurred prior to the date hereof, the occurrence of which we had no knowledge.

Very truly yours,



s/ Randall S. Goulding, Esq.

cc: David Morton