



CPC of America, Inc.

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To our Stockholders and Friends:

As you may be aware, the Dow Jones released an article dated June 26, 2007 concerning CPC of America, Inc. In case you haven't seen it, a copy of the article is available on our web site at <http://www.cpa2000.com/>. The article focused on our current issues with the U.S. Food and Drug Administration, and also covered a number of other topics. The tone of the article was negative throughout and cast CPC and its management in a bad light. While we don't feel it's necessary to address the article point-by-point, we believe that a formal response from CPC of America is warranted.

At the outset, I want to emphasize that there was nothing in the article of a material nature that has not been previously disclosed by CPC of America in its press releases and/or SEC reports. Matters concerning our issues with the FDA, relationship with CTM Group and compensation to officers and consultants, have all been fully disclosed by CPC. In fact, the article makes mention in several instances that the author derived the facts recited in her article from our SEC reports. In only one instance does the article suggest that we may not have been forthcoming with our investors, and the author's suggestion is without merit. At the end of the sixth paragraph and in the context of her discussion of the April 26, 2007 FDA warning letter, the author states that the "FDA and CPC, *unbeknownst to investors*, have been at odds for a year." In fact, we have been disclosing in our SEC reports our procedural issues with FDA as far back as May 2006. The most material development to date is, of course, the FDA warning letter, which reflected a position on the part of the FDA that we were not made aware of until our receipt of the letter on April 26, 2007. In our quarterly report on Form 10-Q filed with the SEC on May 10, 2007, we fully disclosed the FDA warning letter received by us just days earlier.

The thrust of the article has to do with our issues with the FDA over the development and testing of our MedClose™ Vascular Closure System (VCS). Since August 2006, as reported in numerous prior press statements and SEC filings, the MedClose™ has been applied to patients in the United States and Canada who provided informed consent. The results obtained by the numerous physician investigators support early expectations, and there have been no adverse incidents which would interfere with completion of the study. Our development and testing of the MedClose™, and compliance with FDA rules and procedures, have been supervised by our outside counsel who is an expert in FDA regulation and spent ten years with the FDA before entering private practice.

Prior to start of human clinical investigation, separate and independent Institutional Review Boards (IRBs) advised that study of the MedClose™ did not involve a significant risk to the patient. The clinical study continues in Canada, although the study in the U.S. has been suspended pending resolution of the FDA issues.

Based on the input from our FDA counsel, we do not agree with the content of the April 26, 2007 FDA warning letter. However, we will provide a timely response to the FDA and continue a dialogue with the agency in the interests of resolving all issues.

Concerning the Dow Jones article, the most disappointing aspect of the author's actions was her refusal to even consider our position. We made our FDA counsel available to her for an interview, and he explained the nature and substance of our position concerning the FDA review of the MedClose™. None of his points made it into the article. Moreover, her article, and her discussions with our FDA counsel, showed a complete lack of consideration for the possibility that the FDA may be wrong and we may be right.

You don't need to be an FDA expert to know that the US medical and bio-pharma industries routinely clash with the FDA and that the FDA has regularly been accused of over-regulation and assertion of policies and practices beyond the scope of its legal mandate. In fact, the June 25, 2007 on-line edition of the Wall Street Journal included an article on TMJ Implants, a small Golden, Colorado based medical device manufacturer that is engaged in a high stakes dispute the FDA over its sole product. The WSJ article focuses on what it characterizes as abusive tactics on part of the FDA and the agency's disregard for the interests of small businesses. The article concludes by stating that, "In April, Republicans on the House Energy and Commerce Committee asked the FDA to provide more transparency for its process for reviewing appeals to warning letters. But so far FDA Commissioner Andrew von Eschenbach has given no sign that he's paying attention. Small businesses like TMJ need to know that they can't be ruined merely for exercising their right to challenge the FDA bureaucracy."

We believe that published reports of experiences such as TMJ Implants' are routine. As such, we are disappointed that the Dow Jones author would not even objectively review the validity of the FDA's position or consider our reasoned analysis of the law. Given the current climate of U.S. business vs. the FDA, we found her approach to the topic to be uninformed and naïve.

In conclusion, while we have suspended clinical investigation in the US pending the resolution of the FDA issues, we are continuing to conduct investigations in Canada. We will continue our dialogue with the FDA and report the material results to the community as appropriate. In the meantime, we thank you for your continued support.

Very truly yours,

/s/ Rod A. Shipman
Rod A. Shipman, Chief Executive Officer