

# **USCL Corporation & EnergyCite**

## **Residential Energy Management System & Smart Utilities Metering**

### **Private Placement Offering Memorandum**

**\$3,000,000.00  
2,000,000 Shares @ \$1.50 Ea.**

**November 1, 2006**

**USCL Corporation  
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**The Date of this Memorandum is November 1, 2006  
Private Offering Memorandum No.\_\_\_\_**

**CONFIDENTIAL PRIVATE OFFERING MEMORANDUM**

**USCL Corporation  
EnergyCite**

**\$3,000,000**

**Common Stock**

**2,000,000 Shares at \$1.50 Per Share**

**Minimum Investment: 16,667 Shares (\$25,000.00)**

**For Accredited or Sophisticated Investors Only**

**USCL Corporation is a Nevada Corporation with administrative, engineering and production offices in Sacramento, California, formed in May 1995. The company is engaged in the design, development, commercialization and marketing of various electronic products in the field of energy conservation and state-of-the-art electronic utility metering systems for use by electric, gas and water utilities.**

**The Company's EnergyCite revenue grade electrical utility watt hour meter has been designed as a "plug and play" replacement for the nations' installed base of over 150 million antiquated single phase electrical meters. Federal and State regulator issues have converged with new business imperatives resulting in a \$20 Billion plus business opportunity for the replacement of the installed base of meters over the next ten years.**

**The Company's EMS-2020 energy management system has been designed for residential and small business use. The product is currently in the prototype stage with working models at the Company's California office.**

**The Company's principal investment objectives are:**

- 1. Complete the development of the Company's proprietary EMS-2020 system with integration to the IUM meter technology, thereafter commencing field trials and efficacy studies by partnering with local utility companies and meter manufacturers.***
- 2. Prosecute the current USPTO & PCT patent application process for various proprietary apparatus, methods, and software designs developed by the company.***

3. *Prepare for the product launch in dual marketing channels.*
4. *Complete the deployment of the firm's current pilot project with Southern California Edison and the County of Los Angeles.*

The Company is offering 2,000,000 shares of Common Stock, no par value share ("the shares"), for a purchase price of \$1.50 per Share. See "DESCRIPTION OF CAPITAL STOCK."

**THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION NOR HAS THE COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS INACCURATE AND CRIMINAL.**

(1) This offering will terminate on November 1, 2006, unless extended by the Company for up to an additional 180 days (the Sales Termination Date). There is no requirement that any minimum number of shares be sold and therefore no escrow will be established for subscription funds. Subscription funds may be deposited by the Company directly into its operating account for use as described in this Memorandum. See "TERMS OF OFFERING" and "USE OF PROCEEDS."

(2) The shares will be offered on a "best-efforts" basis by the officers, employees, directors, and shareholders of the Company, and may be offered by independent referral sources and through broker-dealers selected by the Company who are registered members of the National Association of Securities Dealers, Inc. ("NASD"). As of the date of this Memorandum, the Company had not entered into any selling agreements with registered broker-dealers. No selling commissions will be paid to the officers, employees, directors or shareholders of the Company for Shares sold by them, although they may be paid other compensation for assisting with the offering of the Shares. Referral fees may be paid to finders and selling commissions may be paid to registered broker-dealers, in the form of cash, stock options, warrants and shares of the Company's common Stock, for sales of Shares made through or by them. The Company will indemnify participating broker-dealers, if any, with respect to disclosures made in this Memorandum. See "PLAN OF DISTRIBUTION."

(3) The amounts shown are before deducting organizational and offering costs to the Company, which include legal, accounting, printing, due diligence, marketing, selling, and other costs incurred in the offering and sales of the Shares.

(4) The shares will be sold only to accredited and a limited number of non-accredited but sophisticated investors as those terms are used in Regulation D promulgated under the Securities Act of 1933, as amended. The Company has the option at its sole discretion to accept less than the minimum investment from a limited number of subscribers. The Company also has the option in its sole discretion to increase the maximum amount of this

**initial offering of shares by up to an additional \$500,000 for a total maximum offering of \$3,500,000 consistent with the extension provision of paragraph one above.**

## STATE NOTICE REQUIREMENTS

NOTICE REQUIREMENTS IN STATES WHERE SHARES MAY BE SOLD ARE AS FOLLOWS:

1. **FOR CALIFORNIA RESIDENTS:** THE SALE OF THE SECURITIES WHICH ARE THE SUBJECT OF THIS OFFERING HAS NOT BEEN QUALIFIED WITH THE COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA AND IS BEING MADE PURSUANT TO THE EXEMPTION FROM QUALIFICATION UNDER THE NATIONAL SECURITIES MARKET IMPROVEMENT ACT OF 1996 OR, IN THE ALTERNATIVE, PURSUANT TO THE EXEMPTION AVAILABLE IN SECTION 25102(f) OF THE CALIFORNIA CORPORATIONS CODE FOR PRIVATE PLACEMENTS.
2. **FOR FLORIDA RESIDENTS:** THESE SECURITIES HAVE NOT BEEN REGISTERED WITH THE FLORIDA DIVISION OF SECURITIES. EACH FLORIDA RESIDENT WHO SUBSCRIBES FOR THE PURCHASE OF SECURITIES HEREIN HAS THE RIGHT, PURSUANT TO SECTION 517.061(11)(a)(5) OF THE FLORIDA SECURITIES ACT, TO WITHDRAW SUCH SUBSCRIPTION FOR SUCH PURCHASE AND RECEIVE A FULL REFUND OF ALL MONIES PAID WITHIN THREE BUSINESS DAYS AFTER THE EXECUTION OF THE SUBSCRIPTION AGREEMENT OR PAYMENT FOR THE PURCHASE HAS BEEN MADE, WHICHEVER IS LATER. WITHDRAWAL WILL BE WITHOUT ANY FURTHER LIABILITY TO ANY PERSON. TO ACCOMPLISH THIS WITHDRAWAL, A SUBSCRIBER NEED ONLY SEND A LETTER OR TELEGRAM TO THE COMPANY AT ITS ADDRESS SET FORTH IN THE TEXT OF THIS MEMORANDUM INDICATING THE SUBSCRIBER'S INTENTION TO WITHDRAW. SUCH LETTER OR TELEGRAM SHOULD BE SENT AND POSTMARKED PRIOR TO THE END OF THE AFOREMENTIONED THIRD BUSINESS DAY. IT IS ADVISABLE TO SEND SUCH LETTER BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED TO ENSURE THAT IT IS RECEIVED AND ALSO TO EVIDENCE THE TIME IT WAS MAILED. IF THE REQUEST IS MADE ORALLY (IN PERSON OR BY TELEPHONE TO THE COMPANY AT THE NUMBER LISTED IN THE TEXT OF THIS MEMORANDUM, A WRITTEN CONFIRMATION THAT THE REQUEST HAS BEEN RECEIVED SHOULD BE REQUESTED.

SEE THE SUBSCRIPTION AGREEMENT FOR OTHER STATE NOTICES, IF APPLICABLE.

THE OFFER AND SALE OF THE SHARES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"). NO SHARES MAY BE RESOLD, ASSIGNED OR OTHERWISE TRANSFERRED UNLESS A REGISTRATION STATEMENT UNDER THE ACT IS IN EFFECT, OR THE COMPANY HAS RECEIVED EVIDENCE SATISFACTORY TO IT THAT SUCH TRANSFER DOES NOT INVOLVE A TRANSACTION REQUIRING REGISTRATION UNDER THE ACT AND IS IN COMPLIANCE WITH THE ACT.

THE SHARES HAVE NOT BEEN QUALIFIED UNDER CERTAIN STATE SECURITIES LAWS IN RELIANCE UPON THE APPLICABLE EXEMPTIONS FROM REGISTRATION FOR PRIVATE OFFERS AND SALES OF SECURITIES. NO SHARES MAY BE SOLD, ASSIGNED OR OTHERWISE TRANSFERRED UNLESS THE COMPANY HAS RECEIVED EVIDENCE SATISFACTORY TO IT THAT SUCH TRANSFER DOES NOT INVOLVE A TRANSACTION REQUIRING QUALIFICATION UNDER SAID STATE SECURITIES LAWS AND IS IN COMPLIANCE WITH SUCH LAWS.

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THIS MEMORANDUM IS NOT KNOWN TO CONTAIN AN UNTRUE STATEMENT OF A MATERIAL FACT, NOR TO OMIT MATERIAL FACTS WHICH IF OMITTED, WOULD MAKE THE STATEMENTS HEREIN MISLEADING. IT CONTAINS A FAIR SUMMARY OF THE MATERIAL TERMS OF DOCUMENTS PURPORTED TO BE SUMMARIZED HEREIN. HOWEVER, THIS IS A SUMMARY ONLY AND DOES NOT PURPORT TO BE COMPLETE. ACCORDINGLY, REFERENCE SHOULD BE MADE TO THE CERTIFICATION OF RIGHTS, PREFERENCES AND PRIVILEGES AND OTHER DOCUMENTS REFERRED TO HEREIN, COPIES OF WHICH ARE ATTACHED HERETO OR WILL BE SUPPLIED UPON REQUEST, FOR THE EXACT TERMS OF SUCH AGREEMENTS AND DOCUMENTS.

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THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER OR SOLICITATION IN ANY JURISDICTION IN WHICH SUCH AN OFFER OR SOLICITATION WOULD BE UNLAWFUL. NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS CONCERNING THE COMPANY OTHER THAN THOSE CONTAINED IN THIS MEMORANDUM, AND IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON.

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PROSPECTIVE INVESTORS ARE NOT TO CONSTRUE THE CONTENTS OF THIS MEMORANDUM, OR OF ANY PRIOR OR SUBSEQUENT COMMUNICATIONS FROM THE COMPANY OR ANY OF ITS EMPLOYEES, AGENTS OR AFFILIATES, AS INVESTMENT, LEGAL, FINANCIAL OR TAX ADVICE. EACH INVESTOR SHOULD CONSULT THE INVESTOR'S OWN COUNSEL, ACCOUNTANT AN OTHER PROFESSIONAL ADVISORS AS TO LEGAL, TAX AND OTHER RELATED MATTERS CONCERNING THE INVESTOR'S INVESTMENT.

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THE PRIVATE PLACEMENT OF THESE SECURITIES IS BEING MADE IN RELIANCE ON THE EXEMPTION FROM REGISTRATION AVAILABLE IN RULE 504 OF REGULATION D OF THE FEDERAL SECURITIES ACT OF 1933 AS AMENDED AND PURSUANT TO THE NATIONAL SECURITES MARKET IMPROVEMENT ACT OF 1996.

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# TABLE OF CONTENTS

<b>REGULATION D, Rule 504</b> .....	1
<b>RISK FACTORS</b> .....	7
<b>TERMS OF THE OFFERING</b> .....	7
Amount of Subscriptions .....	7
The Purchase Price .....	7
Subscription Period.....	8
Determination of Offering Price .....	8
Dilution.....	8
Insiders Cash Investment .....	9
Stock Option Plan .....	9
Stock Option Commitments .....	9
Share Repurchase Commitments .....	9
Payment of Subscription .....	9
Plan of Distribution.....	9
Investor Suitability.....	9
Use of Proceeds.....	9
<b>SUBSCRIPTION TERMS</b> .....	10
Suitability Standards .....	11
Method of Subscribing.....	11
<b>MANAGEMENT</b> .....	11
Future Salaries .....	12
Management Contracts .....	12
<b>BOARD OF DIRECTORS</b> .....	12
<b>DESCRIPTION OF COMMON STOCK</b> .....	13
<b>AFFILIATED TRANSACTIONS</b> .....	14
David Glenwinkel.....	14
Ray & P.J. Presgrave.....	14
<b>PRINCIPAL PRODUCTS &amp; BUSINESS OPPORTUNITIES</b> .....	14
Entity .....	14
EnergyCite Mission.....	14
Distinctive Competencies and Competitive Advantages .....	15
<b>PRODUCTS</b> .....	16
<b>SECURITIESTOBESOLD</b> .....	24
<b>TERMS OF ELIGIBILITY</b> .....	24
<b>SUBSCRIPTION TO PURCHASE UNITS</b> .....	24

<b>GENERAL</b> .....	<b>25</b>
Corporate, Civic, Community & Charitable Responsibility.....	25
Ownership in Competitive Entities .....	25
Business of the Company.....	25
Franchises, Licenses, Trademarks, Patents, Proprietary Rights .....	25
Employees .....	26
Disclosure .....	26
Accounts and Records .....	26
Compliance with Governmental Law .....	26
Maintenance of Corporate Existence, etc. ....	26
<b>RISK FACTORS</b> .....	<b>26</b>
Cautionary Statements .....	26
No Operating History-Speculative Business.....	27
Financial Projections .....	27
No Market for the Securities - Lack of Liquidity.....	28
Lock-up - Lack of Liquidity .....	28
No Assurance That Dividends Will Be Paid .....	29
No Assurance of Profit.....	29
Failure to Achieve Brand Recognition .....	29
Adverse Impact of Government Regulation .....	29
Determination of Offering Price .....	29
Dilution - Authorized Shares.....	30
Penny Stock Regulation.....	30
Reliance on Management and Key Executives.....	30
Uninsured Losses.....	30
<b>HOW TO SUBSCRIBE AND PURCHASE SHARES</b> .....	<b>30</b>
<b>PURCHASER INFORMATION SHEET</b> .....	<b>33</b>
<b>SUBSCRIPTION AGREEMENT</b> .....	<b>34</b>
<b>INVESTORS'/SHAREHOLDER AGREEMENT</b> .....	<b>35</b>
<b>SHAREHOLDER SIGNATURE PAGE</b> .....	<b>44</b>
<b>WAIVER OF OFFEREE QUESTIONNAIRE</b> .....	<b>45</b>



# USCL CORPORATION

## PRIVATE PLACEMENT OFFERING MEMORANDUM

November 1, 2006

*THE SECURITIES OFFERED BY THIS PRIVATE OFFERING CIRCULAR ARE OFFERED IN RELIANCE UPON EXEMPTION FROM REGISTRATION PURSUANT TO REGULATION D, RULE 504 OF THE FEDERAL SECURITIES ACT OF 1933 AS AMENDED. THEREFORE, THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, THE SECURITIES ACT OF THE STATE OF NEVADA, OR THE SECURITIES LAW OF ANY OTHER STATE.*

This private offering memorandum represents one of a limited number of counterparts prepared by USCL Corporation for certain sophisticated qualified investors.

No person has been authorized to give any information or to make any representation to the contrary of that which is contained in this private offering memorandum. If given or made, such information or representation must not be relied upon as having been authorized unless, at the company's consent, additional information is furnished to the offeree or representative thereof.

This memorandum is intended solely for the use of the person to whom it is addressed. Its reproduction or circulation to other persons or parties has not been authorized. The receipt of this memorandum constitutes the agreement of the offeree to return it to the company in the event the offer is not accepted within 30 days or immediately upon the company's request.

### The Company

USCL Corporation is a Nevada Corporation engaged in the business of developing, manufacturing, and marketing a proprietary residential and small business energy management system meant to help consumers and small business reduce electricity and gas bills. Further, the company has developed technology in the field of electronic electricity, gas and water metering with integral data telemetry capability. The company plans to expand this technology to incorporate Internet enabled real time monitoring of energy supply and automatic delivery of demand side consumption data to utilities through a wide area transaction based communication network. The company plans to file for additional patents on key portions of its novel and unique data sensing apparatus and in-home displays.

**The company plans to sell the EMS-2020 through two distinct sales and distribution channels:**

- 1. Retail home building supply centers and heating, ventilation, & air-conditioning contractors. Additionally, the company is introducing a PC compatible version of the EMS-2020 that will be sold through computer and electronic hobbyists' outlets and such as Comp USA, Fry's Electronics, etc.**

**The California total available market for the EMS-2020 system is 11.5 Million devices.**

**The national total available market for the EMS-2020 system is 150 Million devices.**

- 2. Utility companies. EnergyCite's product line consists of the Intelligent Utilities Meter Module (IUM) which operates in conjunction with electric power meters, a wireless local area network to gas and water meters with EnergyCite encoders, the EMS-2020 in-home energy management display console, inline appliance power monitors, temperature sensors, and thermostat interface. USCL has working prototypes of the IUM and has entered into a developers agreement with Landis + Gyr, the world's largest manufacture of electric utility meters. USCL will use the recently introduced Landis + Gyr Focus meters as its initial metering platform. The company plans to introduce the IUM Focus meter in the beginning of Q 4, 2006. Landis + Gyr has designed the Focus meter as a replacement for the country's aging installed base of approximately 135 million residential electric meters. Landis + Gyr controls about 35% of the installed base. Management believes virtually 100% of the installed base of meters will turn over by 2015. USCL is further developing a proprietary power meter based on technology it previously purchased as designed by the United States Defense Department in cooperation with a leading utility company. USCL plans to have this meter commercialized by Q2 2007**

**The product is unique in the marketplace as it measures, accumulates, stores, and automatically delivers to the utilities, electricity, natural or propane gas, and water readings. Further, the IUM module contains a feature rich set of functionality including interval time-of-use, peak demand, power factor determination, theft of service tamper alert, and optional remote service connect/disconnect.**

**Due to the aging of the nationwide installed base of technologically outdated electro-mechanical Kilowatt hour power meters there is immediate ongoing nationwide market demand of 7.5 million meters per year just to replace the aged failing power meters.**

**Further many states are currently studying and planning for deregulation and the ultimate success of deregulation is, to a large extent, dependent on the installation of a new generation of metering technology which allow consumers to monitor real time pricing and send the service supplier (utility) real time consumption data from which billing may be based.**

**In order for energy deregulation to function correctly in a free market environment, consumers must be free to purchase the product; i.e., electricity or natural gas, directly from the supplier. And the supplier must have access to consumption data.**

**This requires a key piece of equipment or technology to be installed at each consumer's location. Simply put, that piece of equipment may be thought of as a cash register connected through a communication network to any provider or generator of electricity in the entire country.**

**Technically, the device is an electronic kilowatt hour meter capable of servicing a variety of free market pricing structures including interval time-of-use, peak demand, real time pricing, and automatically relays the consumer's consumption information to the provider or intermediary billing agent. Secondly, the device must provide real time pricing information to the consumer. Thirdly, the device must provide consumption information to the consumer in the form of an in-home display providing current consumption rate in dollars and cents, accumulated consumption in the current billing cycle to date in dollars and cents and various other sets of data.**

**USCL Corporation is developing and building such a device as a module to be used in conjunction with the ubiquitous kilowatt-hour meter located on every residence and small business in America. This equates to 150 Million meters.**

**The company has registered the EnergyCite.com, net and org as well as the UtilityCite.com, net and org domains and will begin building the nationwide communication network to support the necessary utility billing transaction services. When successfully implemented, this will generate a long-term recurring revenue source to the firm based on transaction fees.**

**USCL's IUM Module in conjunction with the EMS-2020 Energy Management System and its EnergyCite.com and UtilityCite.com Internet based transaction and billing communications network and software components, will provide a long term solution to the problem of free market deregulation implementation in all states by directly coupling the supply and demand side in real time. Further, it affords the company with the opportunity to build a nationwide electric, gas, and water transaction and billing services operation with strong recurring revenues protected by proprietary, patented hardware.**

**In addition to the EMS-2020 and the corresponding IUM modules, USCL is actively designing and commercializing a revenue grade ANSI certifiable watt hour meter which contains advanced features consistent with the various Advanced Metering Infrastructure initiatives in California and the United States as a whole. The USCL meter is branded EnergyCite. EnergyCite is a granted US Trademark.**

**The design of the USCL meter is taking place in the United States under the direction of USCL. The project is headed by Dr. Victor Kolesnichenko, past engineering director of Meter Technology Company in Scotts Bluff, California.**

USCL is currently planning to offer the meters to electrical utilities in Q2 2007. It is estimated that over 150 million electric meters will be replaced in the U. S. by 2015. Additional marketing opportunities exist overseas and USCL is currently pursuing various prospects in Europe and other countries. The EnergyCite meter is extremely advanced and unique in the industry and is considered to be highly disruptive. The summary of the EnergyCite meter functionality follows:

- **Time of Use (TOU) rate structures.** A minimum of 15-minute time interval data must be processed and stored in the meter with 45 day archival within the meter.
- **Peak Demand or Class of Service rate structures.** The meter must determine and record the maximum peak demand of its load in each of the interval “bin” periods, and store these values with 45 day archival within the meter. The meter must be capable of “ratcheting down” the amount of power the meter will pass and require consumer interaction to reset it if a maximum allowed load is exceeded.
- **Dynamic or Real Time Pricing.** The meter must be capable of receiving real time cost of power information through the Wide Area Network data telecommunications network and transferring this information to the customer via an in-home information display device. Further, the meter should be capable of performing the billing calculations internally based on the current billing determinants which include the real time cost as well as TOU and Peak Demand load information. This reduces network congestion, back office processing and software complexity, and allows the implementation of Subscriber Side Billing.
- **Critical Peak Pricing.** Critical Peak Pricing and the various schemes associated with advanced customer notification become a sub-set of the real time pricing methodologies described above.
- **Wide Area Network Data Telecommunications.** The meter must contain internal electronic circuitry to interface with a data Wide Area Network to allow for the bi-directional transfer of data to and from the meter and utility back-office. Although an effective AMI system may well employ multiple means of data back-haul including, but not limited to, radio frequency, power line carrier, telephone, wide band cable, and cellular telephonics, the practical limitations imposed by the United States distribution system involving limited numbers of customers per transformer and lack of a neutral or Earth ground connection to the meter, dictate that the principal data interface to the meter must be RF. This becomes increasingly important as the amount of information transferred between the meter and utility increases as a result of incorporating new revenue producing value added products and services.

The AMI data Wide Area Network should be structured to allow for the transfer of customer service messaging, emergency notification and homeland security messaging, emergency disconnect of electric, gas, and water services in the event of natural or man made disasters, and service personnel data base and report transmittal.

- **Service Outage Reporting.** Each meter should have sufficient non-interruptible power to allow for the transmittal of service outage conditions including time stamping and meter ID number to the utility.
- **Service Restoration Reporting.** Upon service restoration, each meter should transmit a time-stamped notification of the service restoration event along with the meter ID number to the utility.
- **Theft of Power Reporting.** Revenue diversion events and activities such as the shunting, bypassing, or tampering of the meter should be time stamped and transmitted to the utility.
- **Remote Service Connect & Disconnect.** Each meter should support the optional internal mounting and connection of a 2-pole 100-ampere relay or contactor. The meter should include an integrated electronic interface to the relay and embedded firmware to allow the relay to be switched from state to state by the utility through communications over the data Wide Area Network. The associated electronics and control firmware should be designed to support various prepayment options including on site Smart Card and over-the-network activation, as well as class of service or maximum load thresholds before automatic shutoff of service. Additionally, an external control button must be provided for final account activation by the customer prior to power restoration by the relay as a safety precaution. This control may be mounted on the meter with external access, or it may be incorporated in the in-home display unit.
- **Over Voltage and Under Voltage Reporting.** Each meter should automatically record and archive for 45 days the maximum and minimum voltage over a 500-millisecond period in each interval time “bin.” Furthermore, the embedded firmware should trigger the transmittal of a time-stamped notification to the utility in the event of a sustained over voltage or under voltage in excess of a programmable threshold for a programmable period. Ideally, the meter should monitor each leg of the incoming circuit with respect to neutral as a function of the sinusoidal waveform phase relationship and distortion monitoring.
- **Power Factor Monitoring and Reporting.** Each meter should be capable of monitoring the power factor or quality of each of the circuit lines with respect to the zero cross point and recording statistically relevant deviations for each interval time bin and generate a time-stamped transmittal of power factor data in the event programmable thresholds of uncorrected power factor conditions occur. Through digital signature analysis, the meter should be capable of differentiating between distribution system related load factors creating power factor changes and customer load conditions creating power factor changes. The first set of information is of use to the utility for distribution system performance monitoring and optimization, and the second set of data is of relevance to the customer for preventative maintenance. The data may further be used as billing determinates in Class of Service rate structures in which power factor is included.
- **Reverse Power (Net Metering) Measurement.** The meter must be designed to measure reverse power with the same degree of accuracy and parameters as in the

forward direction and to accumulate the Net Metering information for customer presentation and billing determination.

- **Local Area Network Gateway.** The meter must be designed as the principal node or gateway in a wireless customer Local Area Network that can receive data from and transmit data to other utility meters such as water, and natural or propane gas. Sufficient data logging and processing hardware and embedded firmware should be included to allow for the implementation of the same type of variable rate structures defined above for electrical service with gas and water service. This need may not be obvious at first glance, since the technology has not been available in the past to support variable rate implementation such as TOU, peak demand, day of use, etc., for gas and water service except in the case of large commercial and industrial users.

Implementation of such variable rate structures for water and gas service offers manifold benefits to consumers, the respective utilities and most of all, the electrical utility, as both gas and water require enormous amounts of electricity to pump the commodity through their distribution systems and this use of electricity typically runs parallel to the critical peak demand. Further, the cost of both water and gas is escalating and many areas face peak demand limitations of both commodities.

Additionally, the customer's Local Area Network gateway is the interface to an in-home information display panel as well as an in-home appliance and load monitoring and control network.

- **Remote Programmability.** The meter must be capable of being remotely programmed and future updates of the embedded firmware comprising the real-time run system must be capable of being downloaded over the Wide Area Network to insure that future enhancements and upgrades may be cost effectively implemented without sending field personnel to a customer's site.
- **Subscriber-Side Billing.** The meter must contain ample memory and arithmetic computational ability to calculate a consumer's bill using all available tariffs including time and event dependent tariffs within the meter. This greatly reduces wide area network congestion and utility back-office processing requirements. In this instance, only a minimal amount of data must be sent to and from the meter and utility in order for the utility to generate bills based on complex rate structures.
- **Product Life Cycle, MTBF, and Environmental Considerations.** The meter should be designed to ensure a 20-year life cycle, a MTBF consistent with traditional electro-mechanical meters, and continuous operation at -40/+85 degree C temperatures. The electronic and mechanical design must allow for long-term operation in sea coast areas with high concentrations of sodium chloride and other salts in the air, while being generally immune from transient power events consistent with ANSI C-12.11 and other relevant specifications.
- **Prepayment of Service.** The meter must support pre-payment of service through the use of a remotely programmed "Smart Card" as well as over the network.

- **In-home Information Display.** A wireless in-home Graphic User Interface or information display and control device must be provided with each Advanced Integrated Metrology unit in order to enable the use of most of the above features. Communications between the display and the Watt-hour meter must be wireless as opposed to power line carrier in order to allow for the portability of the display and hence its use as an audit and conservation management tool. The display must be reasonably large and in full color to capture the attention of the customer. The screen displays must be nested in complexity to allow for the device's use by a wide spectrum of customers with different social economic backgrounds, interests, and levels of patience. Screens could, for example, consist of a simple blank screen varying in color to indicate either cost information or usage information. They could otherwise be extremely complex to provide enormous amounts of information to interested consumers. The screen design might be entertaining or educational, depending on the focus group.

#### **RISK FACTORS:**

USCL Corporation is in the process of developing several new products that have not as yet been proven in the marketplace. The technology and the sales revenues that these products will bring to USCL Corporation are obvious; however, the products have not established a penetration in the marketplace.

As the securities offered hereby are, in part, providing funding for the development of new products, no assurance can be given that the amounts invested will be recovered or that any corporate profit will be realized. There can be no guarantee that any sales will occur, or if they do, that the market penetration achieved will be large enough to be profitable. Thus, a participant could lose part or all of his investment. Investment in this corporation is recommended only for those persons with regular recurring income subject to higher income tax rates and persons who could afford to lose the entire amount of their investment. The following summary is qualified in the entirety by more detailed information appearing elsewhere in this Private Placement Memorandum.

#### **ENTITY:**

USCL Corporation is a Nevada Corporation in good standing, which was incorporated in May 1995 as USCL Corporation. The company has been engaged in the design, development, manufacture, and sales of various electronic products since inception.

#### **TERMS OF THE OFFERING:**

**Amount of Subscriptions:** The securities offered consists of shares of USCL Corporation's Class A voting Common Stock, no par value per share. The maximum aggregate of this offering will be \$3,000,000.00 consisting of 2,000,000 common voting shares at \$1.50 per share.

**The Purchase Price:** The purchase price will be \$1.50 per share.

**Subscription Period:** The subscription will begin on November 1, 2006 and close on November 1, 2007 USCL Corporation reserves the right to close the subscription period any time before November 2007.

**Determination of Offering Price:** The common stock is without par value. The \$1.50 per share offering price is based on USCL Corporation's current internally calculated valuation. The total number of shares offered is based upon the best estimate of the projected costs to successfully complete the development of the company's new products and take the product to the marketplace.

**Dilution:**

<b><u>% Of Company:</u></b>	<b><u>Shares:</u></b>	<b><u>Shareholder:</u></b>
26.86	2,000,000	Offering Investors
34.58	2,574,000	Founders Shares
<b><u>38.56</u></b>	<b><u>2,870,038</u></b>	<b><u>Past Round PPO Investors</u></b>
100%	7,444,038	Total Shares

2,574,000 shares of stock have been issued to "insiders" for seed capital as follows:

<b><u>Shares:</u></b>	<b><u>Shareholder:</u></b>	<b><u>Consideration:</u></b>
750,000	Tom & Emily Tamarkin	Initial Seed Capital Investor; \$ 217,000
750,000	David Glenwinkel	Initial Seed Capital Investor; \$ 30,000
324,000	Gary Hexom	Initial Seed Capital Investor; \$ 46,000
<b><u>750,000</u></b>	<b><u>Ray &amp; P.J. Presgrave</u></b>	<b><u>Initial Seed Capital Investor; \$ 98,500</u></b>
<b><u>2,870,038</u></b>	<b><u>Past PPO Investors</u></b>	<b><u>Private Placement Investors; \$1,331,700</u></b>
		<b><u>Total Paid in Capital; \$ 1,723,200</u></b>

**Private Conveyance of Founder's Shares:** In September, 2001 Tom & Emily Tamarkin sold 250,000 shares of the above scheduled 750,000 shares titled in their name to Jack and Denni Mador for a cash infusion which in turn was loaned to the company by the Tamarkin's at a time when the company needed cash to continue its operations.

**Hunan Werko Electric Meter Group Limited investment:** The Hunan Electric Meter Group Limited, hereinafter referred to as Werko, of Changsha, Peoples Republic of China and USCL entered into a written Memorandum of Understanding (MOU) dated May 13, 2006. The material provisions of the MOU are: 1) Werko will invest \$3,000,000 USD cash into



USCL in the United States at a negotiated share price of approximately \$1.20 per share. 2) Werko will invest \$1,000,000 USD equivalent in China to develop the USCL EnergyCite ANSI certified next generation power meter in exchange for USCL common shares at the price of approximately \$1.20 per share. 3) USCL shall be the exclusive sales agent for Werko products in North America. 4) USCL shall own its IP. 5) Werko advanced USCL the sum of \$500,000 USD on May 26, 2006 which USCL effectively transferred into its corporate bank account. 6) In the event the transaction is not completed pursuant to the Terms and Conditions of the MOU USCL's only obligation is to issue USCL common shares to Werko at the fair market value at the time of issuance for the \$500,000 as infused into USCL May 26, 2006. As of November 1, 2006 the MOU has yet to be reduced to definitive contracts and no further funds have been received from Werko. USCL's management can not provide any assurances that the transaction will be completed. Discussions between the firms are ongoing and brisk.

**Insiders Cash Investment:** Four initial *capital at risk*, Seed Capital Investments were made by Mr. David Glenwinkel of Auburn, California, Mr. Gary Hexom of Roseville, California, Ray & P.J. Presgrave of Placerville, California, and Tom & Emily Tamarkin of Sacramento, California for a total combined amount of \$391,500.00. These investments are scheduled above as Seed Capital Investment and date from inception through November 2005.

**Stock Option Plan:** USCL Corporation maintains a Stock Option Plan for its Directors, Employees, and others providing valuable consideration to USCL Corporation and at the discretion of USCL Corporation's Board of Directors. As of November 1, 2006, USCL Corporation has reserved 500,000 shares of common stock to fund the stock option plan. The Chief Executive Officer (CEO) has the broad authority to negotiate stock options for others than himself, and to fix the share price, exercise terms and conditions, and term period subject to the approval of the Board of Directors.

**Share Repurchase Commitments:** There are no outstanding commitments by USCL Corporation to repurchase any shares offered under the terms and conditions of this security.

**Payment of Subscription:** Subscriptions are a firm commitment to contribute to the capital of USCL Corporation and are payable in full pursuant to the terms of the Subscription Agreement or by special arrangements approved by the Chief Executive Officer of USCL Corporation.

**Plan of Distribution:** The common stock will be offered by USCL Corporation by its officers, certain employees, and the Director of Investor Relations.

**Investor Suitability:** This memorandum is being provided, and offers and sales of Common Stock will be made to persons selected by USCL Corporation who, by virtue of their investment experience, wealth, sophistication, state of residence, and other criteria, are to be considered qualified investors. USCL Corporation has not authorized the use of any promotional material or sales literature in connection with the offer or sale of the Common

Stock other than this Private Placement Offering Memorandum and the exhibits included by reference herein. In addition, no person(s) has been authorized to give any information or make any representations other than contained in this memorandum or its exhibits.

**Use of Proceeds:** The net proceeds of this offering will be used for the research, development, sales, and marketing of the products that USCL Corporation is presently developing or anticipates developing in the future and for operations. Additional information on the products and their development appears in the Products section of this memorandum. Proceeds from the sale of these securities will not be used for the payment of (i) dividends or (ii) material undisclosed claims existing as of the Closing. The following illustrates USCL Corporation's estimates of the use of the offering proceeds based on the full funding of this offering:

<b>USCL Use of Proceeds</b>	
12 months beginning November 2006	
<b><u>Product Development/ R&amp;D:</u></b>	
Employee Compensation	\$120,000
Consultants/ Contractors	\$1,052,000
Materials Consumed	\$17,000
Patent & IP	\$75,000
Tools & Supplies	\$3,500
Test Equipment	\$24,000
Test & Certification	\$90,000
Test & Calibration Lab	\$225,000
Travel & Entertainment	\$50,000
<b>Subtotal - Product Devel.</b>	<b>\$1,656,500</b>
<b><u>Sales &amp; Marketing:</u></b>	
Employee Compensation	\$532,000
Sales Samples	\$90,000
Field Trials	\$125,000
Marketing & Advertising	\$70,000
Travel & Entertainment	\$60,000
<b>Subtotal - Sales &amp; Marketing</b>	<b>\$877,000</b>
<b><u>General Administrative:</u></b>	
Employee Compensation	\$81,600
Consultants/ Contractors	\$3,000
Rent	\$30,000
Repairers & Maintenance	\$7,500
Utilities	\$6,000
Security	\$1,200
Communication/ IT	\$9,000
Legal	\$90,000
Insurance	\$7,000
Audit & Tax	\$25,000
Office Supplies	\$13,500
Postage	\$4,000
Reference Materials	\$3,000
Dues & Subscriptions	\$1,200
Travel & Entertainment	\$25,000
Automobile Expense	\$3,500
Bank Charges	\$1,000
<b>Subtotal - G &amp; A</b>	<b>\$311,500</b>
<b>Total All</b>	<b>\$2,845,000</b>

**SUBSCRIPTION TERMS:**

Subscriptions for the class A voting common stock will be offered for a minimum investment unit of \$25,000 at a purchase price of \$1.50 per share. At the sole desecration of USCL Corporation half units may be offered for sale at \$12,500.00. Additional investments may be made by an existing stockholder with a minimum investment of \$1,000.00.

The subscription commences November 10, 2006 and will terminate on November 1, 2007, subject to the right to close the subscription period at any time prior to November 1, 2007. Subscription proceeds received prior to the close of the subscription period will be placed in an account at a federally insured lending institution and USCL Corporation has the right to use the proceeds of the offering. Additional subscriptions to this offering will not be received after the subscription period is closed. The Common Stock will not be subject to additional assessments.

A subscription is a firm commitment to contribute the amount thereof to the capital of USCL Corporation.

**Suitability Standards:** The offering described herein is being made as an exempt offering under the Securities Act of 1933, and on Regulation D, Rule 504, promulgated thereof. These laws impose limitations on the persons to whom offers of the Common Stock of USCL Corporation can be made and from whom Subscriptions can be accepted. The Company will require compliance with all conditions necessary to establish the availability of the applicable exemptions, and may impose disclosure requirements on certain investors in addition to those stated herein.

Participation in USCL Corporation is intended only for those investors of substantial means who can assume the risk of a speculative investment on a long-term basis. Investments in this offering will be accepted from no more than 35 nonaccredited investors. All other investors must meet the qualifications of an accredited investor or from those selected persons or entities deemed by USCL Corporation as otherwise qualified to analyze and make an investment of this nature. All nonaccredited investors must be sophisticated in terms of their ability to judge this investment based on this offering memorandum and other courses of due diligence.

**Method of Subscribing:** A qualified investor to whom this offering is made may subscribe to this offering by executing duplicate copies of the Class A Common Stock subscription Agreement to be furnished by USCL Corporation, a copy of which is included with the exhibits to this Memorandum, and paying the full amount of the subscription. USCL Corporation may reject any subscription, in whole or in part, for any reason. After an investor's subscription is received and approved, USCL Corporation will provide each investor a Common Stock certificate evidencing the number of shares subscribed for by the investor as well as the class of shares. USCL Corporation will notify each investor of the total number of shares sold through the offering, after the offering has been closed.

Sales of Common Stock may be made in some states by registered broker-dealers who will earn cash commissions. Such commissions will be paid out of the proceeds of the offering.

**MANAGEMENT:**

As of November 1, 2006 the following are the executive officers of USCL Corporation.:

<u>Name:</u>	<u>Age:</u>	<u>Position:</u>
Tom D. Tamarkin	53	CEO, President
Ramesh Vasu	48	Acting Chief Technical Officer
Sima Toledano	45	Vice President, CFO & Treasurer
Emily J. Tamarkin	53	Corporate Secretary

**Future Salaries:** At the discretion of USCL Corporation's Board of Directors, the CEO of USCL Corporation shall be entitled to a salary defined in the tables published by the American Electronics Association as appropriate and customary for a corporation engaged in the business of USCL Corporation and with similar sales revenues. As of November 30, 2006 that salary has been set at \$120,000 per year. Other salaries are established by the CEO.

**Management Contracts:**

Tom D. Tamarkin, founder, President & CEO has a five-year employment contract with USCL Corporation commencing on January 25, 2006. The material provisions of the contract are:

- 1.0 All of Mr. Tamarkin's intellectual work product, patents, copyrights, designs, ideas, etc., developed during his term of employment with the Corporation, and which relate to USCL Corporation's line of business shall be pledged to USCL Corporation on a royalty free perpetual basis.
- 2.0 Mr. Tamarkin's salary shall be proportional to that published by the American Electronics Association for his position in similar business with similar sales revenues.
- 3.0 Mr. Tamarkin shall be entitled to a yearly bonus based on a percentage of net earnings (profits) and as approved by USCL Corporation's Board of Directors.

**BOARD OF DIRECTORS:**

Tom D. Tamarkin, Chairman Carmichael, CA	Founder & CEO USCL Corporation. Past president and CEO, Tamar Corporation. Past VP & COO, Datamatic, Inc. author of "The Complete Handbook of Automatic Meter Reading"
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- 53 and developer of SAMREIM, Software for Automatic Meter Reading Economic Impact Measurement, for Electric, Gas and Water utilities.
- Robert S. Block**  
Marina del Ray, CA  
78  
Holder of over 150 U. S. and foreign patents. Pioneer and innovator in the Pay for View Television Industry, Cable Television Industry and Cellular Telephone Industry. Past founder and CEO of a major advertising agency and national agency of record of the Atlantic and Pacific Tea Company (A&P Company.)
- Ray Presgrave**  
Placerville, CA  
62  
VP, California Integration Coordinators. Twenty-five years experience in the Semiconductor Industry with Intel and Fairchild Semiconductor.
- Gary Hexom**  
Sacramento, CA  
61  
Principal, Jefferson School. Thirty-one years of service in the California and Connecticut State and Sidney Australia Public School Systems.
- Emily Tamarkin**  
Carmichael, CA  
53  
Co-founder, USCL Corporation
- Jeffrey Howard**  
Michel  
Heuersdorf, Germany  
63  
Bachelor of Science Electrical Engineering, MIT 1964. Master of Science in Electrical Engineering Tulane University, 1969. Energy and environmental consultant for European governments & institutions. Awarded: “Climate Hero” of World Wide Fund for Nature (WWF.)

As of November 1, 2006 the following Board of Director members have invested the following amounts of money into USCL from inception:

<b>Tom and Emily Tamarkin</b>	<b>\$217,000</b>
<b>Robert S. Block &amp; Family</b>	<b>\$250,000</b>
<b>Ray Presgrave</b>	<b>\$ 98,500</b>
<b>Gary Hexom</b>	<b>\$ 46,000</b>
<b>Jeffrey Michel</b>	<b>\$ 70,000</b>
<b>Total BOD Member Investment</b>	<b><u>\$671,500</u></b>

**DESCRIPTION OF COMMON STOCK:**

As of the date of commencement of this offering, USCL Corporation shall be authorized to issue 8,000,000 shares of Class A, no par value voting Common Stock.

Holders of Class A Voting Common Stock are entitled to one vote per share and may not accumulate votes for the election of directors. In the event of liquidation, dissolution or winding up of the affairs of USCL Corporation, holders of both Class A and Class B Common Stock will be entitled to share ratably in the assets of USCL Corporation legally available to them. Holders of both class of Common Stock have equal rights, share for share, to receive dividends if declared by the Board of Directors. The Common Stock is not redeemable, convertible or entitled to preemptive rights. USCL Corporation's Common Stock may not be sold, transferred, assigned or otherwise disposed of unless a registration statement under the Security Act of 1933 with respect to such disposition shall then be in effect or unless the person requesting the transfer of such shares shall furnish, with respect to such transfer, an opinion of counsel (both counsel and opinion to be satisfactory to the Company) to the effect that such sale, transfer, assignment or disposition will not involve any violation of the Act or any superseding statute or any applicable state law. USCL Corporation reserves the right to convert all of its Common Stock to Class A Voting Common Stock at its sole discretion.

**AFFILIATED TRANSACTIONS:**

**David Glenwinkel:** From inception, USCL Corporation engaged the services of Western Sierra Business Service, herein after referred to as WSBS in Auburn, California to provide book keeping and accounting services. From inception to 1997 the firm has engaged WSBS to prepare the firm's annual corporate income tax fillings and 941 tax fillings. WSBS is owned by Mr. David Glenwinkel, shareholder and Director of USCL Corporation.

**Ray & P.J Presgrave:** From inception to the time of this offering, USCL Corporation has purchased various electronic supplies, components, and services from California Integration Coordinators, hereinafter referred to as CIC, in Placerville, California. P.J. Presgrave is President of CIC and Ray Presgrave is Vice President of CIC, shareholder and Director of USCL Corporation. The maximum annual sales volume between the two companies has not exceeded \$100,000.00 in any 12-month period.

There are no other affiliated transactions.

**Founders Investment:**

The founders have invested the following amounts of cash into USCL Corporation:

<b>Tom &amp; Emily Tamarkin:</b>	<b>\$217,000.00</b>	<b>December 1995 to September 2004</b>
<b>Ray &amp; P.J. Presgrave:</b>	<b>\$ 98,500.00</b>	<b>April 1997 to November 2005</b>
<b>David Glenwinkel:</b>	<b>\$ 30,000.00</b>	<b>December 1995</b>
<b>Gary &amp; Denise Hexom:</b>	<b>\$ 46,000.00</b>	<b>April 1997 to January, 2003</b>
<b>Total Founder's Investment</b>	<b>\$391,500.00</b>	<b>December, 1995 to November 2006</b>

**PRINCIPAL PRODUCTS AND BUSINESS OPPORTUNITIES:**

**Entity:** USCL Corporation is a duly authorized Nevada corporation in good standing with engineering, manufacturing, and administrative offices located in Sacramento California.

**EnergyCite Mission:** To become the preeminent provider of low cost demand side energy management systems and electric, gas, and water utility billing transaction services.

**Distinctive Competencies and Competitive Advantages:**

**EMS-2020 Energy Management System:** The Company has designed and is preparing for product launch its EMS-2020 Energy Management System. The EMS-2020 will help homeowners reduce their electric and/or gas bills by up to an estimated 20% monthly. The company has filed for patent protection and has engaged Baker Botts, LLP, of Washington D. C., as patent council in connection with the full patent prosecution process.

The California total available market for the EMS-2020 system is 13.5 Million devices.  
The national total available market for the EMS-2020 system is 150 Million devices.

The product is unique in the marketplace as it measures, accumulates, stores, and automatically delivers to the utilities, electricity, natural gas, propane tank gas and water readings. Further, the IUM module contains a feature rich set of functionality including interval time of use, peak demand, power factor, power outage, theft of service tamper alert, and optional remote service connect/disconnect; management believes such feature capability will be required in the 21st century by state and federal regulators.

**Core Technology Competencies:** The company has been in business since 1995 and has an installed base of over 20,000 Light Directed Pick display panels used in the warehouses of such major companies as Amtrak, General Electric, Lucent Technologies, Roach Diagnostics, MSC Hardware Supply, Forest Pharmaceuticals, Covance Pharmaceuticals, and Lawson Products. These products were designed and manufactured by USCL Corporation. The company has existing design, engineering and manufacturing process capability.

Further, the company has acquired a great deal of technical expertise in the engineering, design, and manufacturing of proprietary hardware using local area networks and individually addressed remote display and transmitting devices. This translates into engineering intellectual property, in the form of working software, which is directly applicable to the EMS-2020 product design evolution and rollout as well as the IUM module and associated wide area network implementation.

**Industry Experience:** The firm's CEO has been involved in utility company data collection, electronic meter reading and automatic meter reading since 1986 and was the "inventor" of the now almost ubiquitous solid state light emitting mechanical rotor scanner and 902-928 MHz transmitters used as "under glass" retrofit modules by many VARs and AMR (Automatic Meter Reading) companies including ABB, General Electric, Schlumberger and Itron. Early field trials of predecessor EMS-2020 technology were conducted which

substantiated the fact that display of energy usage information can lead to energy conservation of up to 20% in the home.

**Convergence of market demand, technology, resources, and management:** In light of recent energy shortages, rate hikes, and energy company failures, USCL's management has focused on the integration of the above distinctive competencies and competitive advantages to meet the tactical objective of the firm's mission.

On the eve of deregulation and conflicting government intervention, the company will be positioning itself to provide a new generation of utility product delivery and transaction services both to the utilities and consumers. An analogy is the 1984 reorganization of AT&T under Judge Harold Greene and the proliferation of long distance carriers and the line of demarcation at the telephone terminal block on the outside of the residence.

Management believes that the coupling of the EMS-2020 Energy Management System with the IUM Module contemporaneously with external supply and demand circumstances, media attention and recent political direction, should position USCL to become the preeminent leader in this multi billion-dollar opportunity (note the energy speech by President George W. Bush wherein he said: *"Innovation helps us all make better choices. Smart Electric Meters can now tell homeowners how they're using power and how they might reduce it when they leave a room."*)

Management believes that this will lead to the development of a nationwide utility billing transaction service, and provider of real time pricing information and service contract loyalty to the demand side, with significant long-term recurring revenues. This is based on a conservative annual fourth year market penetration projection of 7.5%, of the national total available market which is the current meter replacement attrition run rate, nation wide, due to the aging of the installed base of electro-mechanical meters.

### **Products:**

**EMS-2020:** The EMS-2020 is an Energy Management System that provides homeowners with a degree of control over the escalating cost of electricity. The Company believes the EMS-2020 can reduce residential power bills by up to 20% when properly used.

The EMS-2020's constant electronic vision is focused on the real time burn rate and accumulated use of power in dollars and cents. A remote power sensor is installed near the electrical utility meter and circuit breaker panel. Through low power radio transmission, digital signals comprising the real time burn rate are transmitted to a microcomputer and display panel located inside the home.

The basic system consists of the remote power sensor and display panel. Along with a constant real time display of energy use in dollars and cents, the EMS-2020 allows the consumer to take control of their monthly bill by setting a budget and electronically monitoring power usage to insure that the budget is not exceeded. The unit's internal



microcomputer is constantly sampling real time usage, elapsed time, and remaining time in the billing cycle. If a budget is in jeopardy of being exceeded, the consumer is alerted both by the visual display and a beeper.

When used in conjunction with optional control devices, electrical loads such as lights and appliances can actually be modulated and even turned off in accordance with a user programmed hierarchically device control schedule.

The Company plans to build two distinct market and distribution channels. These are retail distribution and utility companies.

**Retail:** Initially, HVAC contractors, electrical contractors and home building supply centers will be used to market and sell the product. Management believes this can lead to a 1 to 2.5 % market penetration nationwide.

**Electric Utility Companies:** In conjunction with the iSUM meter, management believes utility companies, generators and ESPs will sell the EMS-2020 system to homeowner, thereby, subsidizing the utilities acquisition of the advanced metering equipment. The value proposition to the consumer is that as deregulation advances, the consumer can use real-time monitoring of the supply side and choose his rate plan and even supplier of energy while at the same time recovering his product investment very quickly, as savings become manifest.

**Propane Gas Distributors:** The United States has a base of 14,300,000 residential propane gas users most of which are in rural areas which are served by a network of 36,500 “bobtail” delivery trucks. These companies have a common problem of automating their route delivery schedules. Typically, a truck makes a service call to a residence based on the drivers best guess of the needs of specific users. The EMS-2020 system is an ideal method for this process to be automated through the real time monitoring of the propane tanks level and automatically producing a driver’s route schedule on a daily basis as a function of actual customer needs in conjunction with geographical location. Additionally, the energy management services and data delivery provide the highly competitive gas distributors with a means to differentiate their company from competitors resulting in service provider loyalty and lower account turn over. USCL plans to position the product to the four major nationwide gas distributors at the corporate level and the 8,000 regional companies through a dealer organization.

The company also plans to offer a version of the EMS-2020, which is compatible with personal computers in lieu of the stand-alone display. A receiver module is connected to the PC using the USB port. The PC runs the full compliment of EMS display and control software as a background task. This product will be introduced in Q1, 2006 as a beta release subject to availability of funds from equity sales pursuant to this offering memorandum. It is envisioned that this will become a “blister packed” item for distribution by companies such as Fry’s electronics, Comp USA, Radio Shack, etc., who serve the electronic hobbyist

and computer market. Additional marketing may be done through appropriate magazine advertising and possible direct response advertising on radio or television.

**IUM Module:** Intelligent Utilities Meter Module (IUM) which operates in conjunction with electric power meters, a wireless local area network to gas and water meters with EnergyCite encoders, the EMS-2020 in-home energy management display console, inline appliance power monitors, temperature sensors, and thermostat interface.

USCL has working prototypes of the IUM and has entered into a teaming agreement with Landis + Gyr, the world's largest manufacture of electric utility meters. USCL will use the recently introduced Landis + Gyr Focus meters as its initial metering platform. The company plans to introduce the IUM Focus meter in Q5, 2005.

Landis + Gyr has designed the Focus meter as a replacement for the country's aging installed base of approximately 135 million residential electric meters. Landis + Gyr controls about 35% of the installed base.

**IUM Module Features:** Meter and owner identification, location, date and time stamp, real-time consumption display, 15 minute interval time of use storage, peak and average demand, voltage level profiling, electricity, natural or propane gas and water data telemetry, real time tamper and theft of power reporting, load profiling, back-up power source for data storage and clock, 24 hour diagnostics, trouble call initiation for service outage, low voltage alert, remotely programmable, self-calibration to utilities standard reference, lighting and surge protected, remote service connect and disconnect option, and compatible with the EMS-2020 in-home display with embedded appliance internet browser and future migration to OSGI complaint gateway .

**EnergyCite Energy Management & Conservation Systems:**

The EnergyCite Energy Management System will allow utility customers to realize significant monthly savings on their electricity, natural gas or propane utility bills by reducing power consumption.

The EnergyCite EMS-2020 panel is a small, attractive wireless display and function control console that may be wall mounted or set on a counter top. A user interface is provided consisting of various keys and an attractive graphic LCD display.

The EnergyCite EMS-2020 system enables consumers to take control of their monthly energy expenditures by establishing an energy budget and constantly monitoring energy usage to insure that the budget is not exceeded. The EMS-2020 alerts the homeowner if their budget is in jeopardy of being exceeded. Through the implementation of optional remote control devices, the EMS-2020 can automatically fine tune a home or small business's energy consumption. Electrical, natural gas or propane and water consumption is displayed in accumulated dollars and cents or real-time cents per minute. The display is updated every 5 seconds.

The EMS-2020 may be marketed by Investor Owned, Municipal or Cooperative Utilities and offered to the customer as an incentive to reduce their power bills and conserve electricity, natural gas, propane, and water. In this example, the utility can offer the system to the customer and finance it over several months as an addition to the consumer's energy bill. The customer can trim their energy use and pay for the cost of the EMS-2020 through the cost savings. Once paid for, the system will provide a return on investment through the reduction of utility bills.

The EMS-2020 may also be distributed through the homebuilders' supply channel as well as heating, ventilation and air conditioning contractors and energy conservation product dealers.

The consumer receives a payback and future return on investment in the form of reduced electric and/or gas bills. The average monthly savings will, of course, depend on the customer's disciplined approach to maintaining the budget as monitored by the EMS-2020. Early field tests of the technology by the inventor showed a considerable reduction of up to 20% when consumers are continually made aware of their energy consumption on a real-time basis. Implementation of various variable rate structures by the utility can significantly increase expected savings and help the utility balance its load and reduce peak power demand strain.

Many states and utilities are experimenting with novel and complex rate structures including peak power demand and time-of-use rates modified for residential consumer application. When the EMS-2020 is used in conjunction with compatible variable rate structures and automatic meter data telemetry, the consumer has even more control over their energy cost savings. In this instance, the most current rate structure information may be downloaded automatically by the utility to the EMS. The consumer knows exactly what he is spending for utility products at any point in time.

#### **EMS-2020 Benefits:**

- ◆ Displays current burn rate of electricity and gas in cents per minute.
- ◆ Displays up-to-the-minute accumulated electricity and gas bills since the last statement.
- ◆ Displays previous monthly billings for the last twelve months.
- ◆ Programmable audible alarms may be set if the budget is in jeopardy.
- ◆ Displays accurate electric and gas meter dial readings in power units.
- ◆ Time of Use (TOU) and Peak Power Demand (PPD) rate structure compatible.
- ◆ Automatic turn on/turn off and ramp up/ramp down of remotely controlled devices.

#### **Alarm Mode:**

- ◆ Peak demand exceeds level set by consumer. LED and Piezoelectric beeper.

- ◆ Accumulated run rate exceeds users available balance of pre-set monthly budget. LED and piezoelectric beeper.

### Control Mode:

- ◆ Remote modulated device ID number.
- ◆ Turn on/turn off, ramp up/ramp down schedule.
- ◆ Modulate resistive loads. Switch inductive loads.

### Program Mode:

- ◆ Set Real Time Clock
- ◆ Enter power cost in cents per energy/utility units
- ◆ Set monthly budget for each type of energy/utility service
- ◆ Set peak demand limit
- ◆ Set time of use rate structure
- ◆ Set remote controlled device ID map and turn on/turn off, ramp up/ramp down and priority schedules.

### EnergyCite Revenue Grade Power Meter:

*Low cost, high performance, advanced integrated metrology*

*Remote power connect and disconnect, WAN to LAN communication gateway*

*USCL's feature rich residential electric meter:*



- Conforms to all applicable ANSI specifications including data and communications
- Time of Use rates. Remotely adjustable bin durations
- Peak Demand rates
- Class of Service rates
- Dynamic and Real-Time pricing
- Wide Area Network data telecommunications. Multimedia
- Service outage and restoration reporting
- Theft of Power reporting
- Remote Service Connect and Disconnect. Remote demand current limit
- Over voltage and under voltage reporting. Each leg to zero cross point
- Damaged neutral reporting
- Power factor monitoring and reporting. Distribution grid and subscriber side
- Reverse power (net metering) measurement
- WAN to LAN wireless gateway. 802.15.4 (Zigbee) compliant. Migration path software configurable including WIFI, etc.
- Subscriber side billing. Billing calculation done internally by meter for all types of complex tariffs.

- *Prepayment of service*
- *Remote programmability of meter. Real-time run software/firmware*
- *Wireless LAN to in-premise devices; i.e., EMS-2020, HVAC thermostat interface, etc.*

**Licensing of USCL EnergyCite Technology:** The company plans to complete the development and commercialization of the EMS-2020 energy management system, IUM module, and iSUM meter and begin initial sales and marketing of the products. Management believes that the most rapid and likely path to success involves the company producing, selling, and installing small to mid sized quantities of the IUM Module on a wide scale, nationwide basis with full scale implementation of the firm's transaction based communications and software. The company plans to license the technology to other companies both inside and outside the United States.

Additionally, the company plans to develop key relationships with major cable television carriers and ISP's who are known to be exploring revenue generation home gateway opportunities.

Management believes that company sponsored field trials and audited efficacy studies are necessary prerequisites prior to mass adoption by utilities.

#### **Marketing and Sales:**

The company's short term marketing strategy is to leverage off the favorable environment currently provided by the awareness of the energy shortage and the escalating cost of electricity and natural gas at the consumer level positioning the EMS-2020 energy management system as a way for consumer's to take control of their energy bills and lower their expenses. At the same time the company plans to show utilities how the integration of the EMS-2020 and the IUM Module and lead to significant increases of efficiency and lowered operating costs of the utilities while providing a means for the consumer to partially offset the utility's capital expense.

The company's long term marketing strategy will focus on the need for new demand side metering systems and wide area network communications in order for real time pricing and deregulation to be successful on a state by state basis.

**Corporate Identification:** The company plans to unify its marketing plan to take advantage of the unique EnergyCite name and its related EnergyCite and UtilityCite Internet domains. All marketing programs and materials will feature EnergyCite and stress the company's commitment to conservation, energy cost reduction, and homeowner's peace of mind.

**Branding:** A brand is a carefully developed set of values that appeals to a specific audience. The process of branding is to communicate the predefined values to the target market effectively. Branding is the sum of all customer-company interactions, including advertising, customer service, product usage experience and Internet web site interaction. In essence, branding is a dialogue with the company's audience, which leads to an enduring relationship

with its customers. Overtime, the company anticipates its EnergyCite brand will become synonymous with the way in which consumers select a provider of electricity and gas utility services and complete the monthly billing and payment transactions.

**Advertising and Promotion:** The company plans to engage an advertising agency and public relations firm to assist with developing a comprehensive advertising and promotion plan. The overall advertising and promotion objectives are:

- Position the company as the leader in consumer demand side to supply side coupling for energy related products.
- Increase company awareness and brand name recognition among prospective utility customers, corporate partners, channel partners, and consumers.
- Develop, through market research, significant information to create immediate and evolving long-term marketing plans.
- Create product and service advertising programs supporting the company's value proposition.
- Drive traffic to the company's EnergyCite, UtilityCite, and other related web sites.

The company's media objectives are:

- Gain awareness of the company among utility companies, corporate partners, channel partners, and consumers.
- Establish an image of the company as an organization that is professional, reliable, value system driven, and highly positioned in the market.
- Maximize efficiency in selection and scheduling of published ads in publications to cover all targeted markets.

The company's print media strategy is:

- Select primary publications with high specific market penetration.
- Schedule adequate frequency of ads to impact market with brand image and Internet web site messages.
- Position advertising in or near industry articles, product reviews and appropriate editorials.
- Utilize consumer, trade and specialty publications.
- Exploit special high-interest issues of major publications when cost effective.
- Maximize ad life with monthly and weekly publications.

**Advertising Campaign:** The company believes that the best way to reach potential customers is through the development of an intense advertising campaign in partnership with utilities and state agencies, to promote the company's basic premise: *Customer control of energy related expenditures*. To establish and maintain the company's image, the delivery and tone of the company's advertisements will be informative and will convey the look and feel of a successful company.

**Trade Shows:** The company plans to participate in consumer, homebuilders, and utility industry trade shows. Management plans to exhibit at an increasing number of trade shows each year, both independently and with other companies/partners with which the company has joint marketing and sales agreements.

**Online Marketing:** The company plans to use the Internet to help promote the EnergyCite product and services. The company has established several web sites and is in the continual process of enhancing each site. The company's Internet goals include the following:

- Customer access providing 24 hour per day, seven day per week access to the company's web sites.
- Attract as many visitors as possible to the Company's web sites.
- Maintain the existing customer base through the provision of Press Releases, updates, instructions, documentation and enhanced customer service products.

**Sales Strategy:** After creating a favorable environment for sales through its marketing and public relations campaign, the company intends to solicit utility companies and retail channels through direct sales. The company plans to use a direct sales force because its services require considerable customer education and post-sales support directly from the company. Management believes that the company's price points, pricing structure and profits are such that its cost of sales are optimized by a person to person selling strategy.

**Revenue:** Management believes that revenues will be generated from three principal sources:

- Hardware product sales.
- Transaction and media content delivery based service charges.
- Royalties and licensing fees.

**Intellectual Property Matters:** The company has filed for patents covering the EMS-2020, power sensor modules and novel solid state power sensing techniques and plans to apply for additional patents for its unique power sensing, system architecture, and user interface display components. These provisional patents will be fully prosecuted by the firm's intellectual property council, Baker Botts, LLP, Washington D. C.

All inventions and technology developed by company employees and contractors at the expense of the company are perpetually assigned to the company.

**Strategic Alliances:** The company is currently engaged in discussions with various semiconductor and other types of technology based firm's in the pursuit of industry sponsorship funds, joint venture engineering participation and product manufacturing and marketing. The company expects to develop numerous relationships with major communication's and software companies. The company is pursuing discussions with the enabling body of the Federal Government sponsored Energy Star program and will pursue state level programs on a state by state basis.

**Employees:** The company currently uses the services of various independent subcontractors, part time and full time employees. As the company closes out this offering and prepares for the next round of financing, it will begin the recruitment, identification, and interviewing of talent to build its operating management team.

**EXHIBITS:**

The Company will make the following documents available to qualified potential investors upon request and under terms of the USCL Non Disclosure Agreement:

**1.0 USCL Corporation Business Plan**

**2.0 Product Literature**

**3.0 Financial Statements**

**SECURITIES TO BE SOLD:**

Shares of USCL Corporation Class A Common Stock at no par value. All shares sold hereunder have voting rights. These shares are exempt pursuant to the regulations of the Securities and Exchange Commission and are not readily marketable. Upon purchase of the securities, a standard buy/sell agreement will be executed by the acquiring shareholder as part of the purchase transaction.

**TERMS OF ELIGIBILITY:**

This offer is limited to accredited and sophisticated investors, as required by Federal Securities Law. Participation is offered on a private basis and only to a limited number of selected persons. Persons who do not meet certain standards are precluded from participation by Federal Rules and Regulations; therefore investors must complete the financial information questionnaire which accompanies this private placement memorandum or warrant their level of sophistication and level of accreditation.

**SUBSCRIPTION TO PURCHASE UNITS:**

Common stock will be offered to prospective investors that USCL Corporation believes meet the qualifications described above under "Terms of Eligibility". Any qualified person desiring to subscribe to the purchase of stock should execute the Subscription Agreement attached to this Private Placement Offering Memorandum and tender such document to the company with payment for said shares. Such payment shall be made by check, payable to USCL Corporation at the stated cost of \$1.50 per share. A unit shall consist of 25,000 shares and said 25,000 shares shall be the minimum number of shares that an investor may purchase except as previously provided in the case of approved one half units. The minimum share purchase requirement for existing shareholders shall be 1,000 shares for the



sum of One Thousand Dollars. The company maintains the right to accept or reject any investment subscription by any prospective investor, including previous investors of the company, at the sole discretion of the company.

**GENERAL:**

**Corporate, Civic, Community, and Charitable Responsibility:** USCL Corporation is committed to returning 10% of its pre-tax corporate profits to the community and charitable causes. USCL Corporation has created a foundation for the purpose of administrating the distribution of funds resulting from such profits of USCL Corporation. The foundation has an independent Board of Directors and charter. The foundation's current Chairman is Nancy L. Brodovsky who has a three-year contract as chairman.

**Ownership in Competitive Entities:** Except as otherwise described herein, to the best of USCL Corporation's knowledge and belief, none of the officers, directors, significant shareholders, or consultants of USCL Corporation or their respective spouses or relatives, owns directly or indirectly or collectively, a material interest in any entity that is a competitor, customer, or supplier of USCL Corporation, accept as disclosed in the Affiliated Transaction section herein.

**Business of the Company:** USCL Corporation is an ongoing business and USCL Corporation has no knowledge or belief that (i) there is pending or threatened any claim or litigation against or affecting USCL Corporation contesting its right to produce, manufacture, sell or use any product, process, method, substance, part or other material presently produced, or planned to be produced, manufactured, sold or used by USCL Corporation in connection with the operations of USCL Corporation; or (ii) there exists, or there is pending or planed, any patent, invention, device, application or principle, or any statute, rule, law, regulation, standard or code which would materially adversely affect the condition, financial or otherwise, or the operations of USCL Corporation; or (iii) there is any other factor (force majeure notwithstanding) that is likely to materially adversely affect the condition, financial or otherwise, or the operations of USCL Corporation. USCL Corporation is currently engaged in the business as set forth in the Product and Market sections herein and USCL Corporation's business plan.

**Franchises, Licenses, Trademarks, Patents, Proprietary and Other Rights:** To the best of USCL Corporation's knowledge and belief, the franchises, permits, licenses and other similar authority which USCL Corporation currently possess or intends to possess after the close of this offering, constitute all of the franchises, permits, licenses and other similar authority necessary for the conduct of USCL Corporation's business. USCL Corporation possess or shall apply for all patents, patent rights, trademarks, trademark rights, trade names, trade name rights and copy rights necessary to conduct its business without conflict or infringement upon any valid rights of others and, has not received any notice or is otherwise aware of infringement upon or conflict with the asserted rights of others or of any basis upon which infringement of or conflict with such rights could so be asserted.

**Employees:** To the best of USCL Corporation's knowledge and belief, no employee of USCL Corporation is, or is expected to be, in violation of any enforceable term of any employment contract, proprietary information agreement, non-competition agreement, or any other contract or agreement or any restrictive covenant or any other common law obligation to a former employer relating to the right of any such employee to be employed by USCL Corporation or to the use of trade secrets or proprietary information of others, and the employment of USCL Corporation's employees does not subject USCL Corporation or its investors to any liability with respect thereto. There is neither pending nor threatened, any actions, suits, proceedings or claims with respect to the preceding sentence.

**Disclosure:** To the best knowledge and belief of USCL Corporation, this Private Placement Offer Memorandum, and the Exhibits scheduled herein, when read together, do not contain an untrue statement of a material fact and do not omit to state a material fact necessary to make the statements contained herein or therein not misleading in the light of circumstances under which they were made, provided that it is understood that USCL Corporation's business plan contains projections and estimates made by USCL Corporation based on various assumptions that may or may not prove to be correct and that absolutely no warranty or guarantee of such estimates or projections is hereby expressly or by implication made.

**Accounts and Records:** USCL Corporation will keep true books and records of account in which full, true, and correct entries will be made of all dealings and transactions in relation to its business and affairs in accordance with generally accepted accounting principles applied on a consistent basis.

**Compliance with Requirements of Governmental Law:** USCL Corporation and all its subsidiaries, if any, shall dully observe and conform to all valid requirements of governmental authorities relating to the conduct of USCL Corporation's business, properties, and assets.

**Maintenance of Corporate Existence, Etc:** USCL Corporation shall maintain in full force and effect its corporate existence, rights, franchises, licenses, and other rights to use patents, processes, licenses, trademarks, trade names or copyrights owned or possessed by it or any subsidiary and deemed by USCL Corporation to be necessary to conduct USCL Corporation's business.

## **RISK FACTORS**

The purchase of the Common Stock offered hereby involves risks. Each prospective investor should carefully consider the following risk factors in addition to any other risks associated with this investment and should consult with the investor's own legal and financial advisors.

### **Cautionary Statements:**

The following are cautionary statements made pursuant to the Private Securities Litigation Reform Act of 1995 in order for the Company to avail itself of the “safe harbor” provisions of the Reform Act. The discussions and information in this Memorandum may contain both historical and forward-looking statements. To the extent that the Memorandum contains forward-looking statements regarding the financial condition, operating results, business prospects or any other aspect of the Company, please be advised that the Company’s actual financial condition and operating results may vary from such forward-looking statements. The differences may be caused by a variety of factors, including but not limited to, adverse economic conditions, intense competition, including entry of new competitors, adverse government regulation, inadequate capital, unexpected costs and operating deficits, lower sales and revenues than forecast, inability to develop or market any commercial products, patent infringement, failure to obtain or enforce patents or other proprietary rights, inability to license the USCL technology, or any other technology, lack of public acceptance of the USCL Energy Management System, failure to obtain customers, the risk of litigation and administrative proceedings involving the Company and its employees, the possible acquisition of new businesses that do not perform as anticipated, the possible fluctuation and volatility of the Company’s operating results and financial condition, adverse publicity and news coverage, inability to carry out marketing and sales plans, changes in interest rates, inflationary factors, and other specific risks that may be alluded to in this Memorandum or in other reports issued by the Company.

#### **No Operating History-Speculative Business:**

Although the Company was formed in 1995 and has been operating since that time, the EnergyCite products and business units are new to the company and therefore the Company has little operating history with these products and business unit. There can be no assurance at this time that the Company will operate profitably or that it will have adequate working capital to meet its obligations as they become due. The Company believes that its success will depend in large part on its ability to (I) complete development of the EMS-2020 Energy Management System, (II) Install working prototypes in the field as beta tests, (III) obtain customers, (IV) instill consumer confidence, and (V) achieve name recognition. Without the funds contemplated herein, there is no assurance that the Company will be able to complete the development of the product line, conduct successful field trials, and successfully market its technology. Accordingly, the Company intends to invest heavily in development, technology and operating infrastructure, as well as marketing and promotion. As a result, the Company expects to incur operating losses in the initial stages of its business.

#### **Financial Projections:**

Financial projections concerning the estimated operating results of the Company may be included with the Memorandum. Any projections would be based on certain data and assumptions which could prove to be inaccurate and which would be subject to future conditions which may be beyond the control of the Company, such as general industry conditions and fierce competition. The Company may experience unanticipated costs, or anticipated revenues may not materialize, resulting in lower revenues than forecasted. There

is no assurance that the results illustrated in any financial projections will, in fact, be realized by the Company. Any financial projections would be prepared by management of the Company and would not be examined or compiled by independent certified public accountants. Counsel to the Company has had no participation in the preparation or review of any financial projections prepared by the Company. There is no assurance that the Company will be able to raise capital in this placement of Common Stock, or that it will have sufficient capital to fund its business operations. There is no assurance that the Company could obtain additional financing or capital from any source or that such financing or capital would be available to the Company on terms acceptable to it.

**No Market for the Securities - Lack of Liquidity:**

The Shares are not registered under the Securities Act of 1933, as amended, and may not be resold unless such securities are subsequently registered thereunder or an exemption from such registration is available. The Shares are being offered pursuant to Rule 504 promulgated under Regulation D of the Securities Act of 1933, as amended. There is no assurance that any public market for the Shares will develop. There is no assurance that the Company's stock will eventually be accepted for trading on the pink sheets, the OTC Bulletin Board, a NASDAQ market or on any other stock exchange. The Company will not initially be a public reporting company under the Securities Exchange Act of 1934, as amended, and there is no assurance as to if or when it will become a public reporting company. In order to become a public reporting company, the Company must have audited financial statements and must file a Form 10 with the Securities Exchange Commission. The Company must become a public reporting company in order to be listed for trading on the OTC Bulletin Board, and must satisfy additional financial standards to be listed on the NASDAQ Small Capital Market. The Company may eventually attempt to have its stock traded on the "pink sheets." Nevertheless, shareholders may not be able to liquidate their investments in the event of emergency or for any other reason. The Shares may not be acceptable as collateral for a loan. A purchase of Shares should be considered only as a long-term investment.

**Lock-up - Lack of Liquidity:**

Pursuant to the terms of the lock-up provisions incorporated in the Subscription Documents, which are attached to this offering memorandum as Exhibits A-E, in the event of an initial public offering by the Company (an "IPO") the Shares may not be sold, pledged, assigned, or otherwise hypothecated for a period of up to 180 days after the completion of the IPO upon the request of the managing underwriter of the IPO. The existing shareholders of the Company entered into similar agreements with the Company. Accordingly, regardless of whether the Shares may be sold pursuant to Rule 144 of the Securities Act of 1933, as amended, the Shareholders may not be able to liquidate their investment for up to 180 days after an IPO.

**No Assurance That Dividends Will Be Paid:**

The Company does not currently anticipate declaring and paying dividends to its Shareholders in the near future. It is the Company's current intention to apply net earnings, if any, in the foreseeable future to increasing its capital base and marketing. Prospective investors seeking or needing dividend income or liquidity should therefore not purchase the Shares. There can be no assurance that the Company will ever have sufficient earnings to declare and pay dividends to the holders of the Company's Common Stock, and in any event, a decision to declare and pay dividends is at the sole discretion of the Company's Board of Directors.

**No Assurance of Profit:**

The Company's business is dependent upon the development and acceptance of the Company's products and services. There is no assurance as to whether the Company will be successful or result in revenue or profit, or develop any commercial products. There is no assurance that the Company will earn significant revenues or that investors will not lose their entire investment.

**Failure to Achieve Brand Recognition:**

The Company believes that establishing and maintaining brand recognition for EnergyCite is a critical aspect of its efforts to attract and expand its customer base. Promotion and enhancement of the EnergyCite brand will depend largely on the Company's success in providing high quality products and services. In order to attract and retain customers and to promote the EnergyCite brand in response to competitive pressures, the Company may find it necessary to increase substantially its financial commitment to creating and maintaining the EnergyCite brand. There can be no assurance that the Company will obtain brand recognition for EnergyCite. The failure of the Company to provide high quality products and services or to obtain and maintain brand recognition could have a material adverse effect on the Company's business, results of operations, and financial condition.

**Adverse Impact of Government Regulation:**

The Company's business will be subject to various federal, state and local laws that affect the electronic equipment manufacturing business in general. These laws and regulations include those governing health, safety, working conditions, the rights of employees, employment discrimination, wrongful termination, product advertising, wages, hours, taxes, licensing and other matters. Failure to comply with such laws could subject the Company to substantial liability or force the Company to change its operations significantly.

**Determination of Offering Price:**

The offering price of the Shares were determined by the Company and represent to the best of the Company's knowledge and belief a fair and accurate valuation of the Company based on the assets, results of operations and proprietary intellectual work product developed and owned by the Company.

### **Dilution - Authorized Shares:**

The investors who purchase Shares in this offering may experience future dilution beyond that described herein (see “dilution”) as a result of subsequent round offerings. Consequently, the Shareholders may experience more dilution in their ownership of the Company in the future.

### **Penny Stock Regulation:**

Broker-dealer practices in connection with transactions in “penny stocks” are regulated by certain rules adopted by the Securities and Exchange Commission. Penny stocks generally are equity securities with a price of less than \$3.00 (other than securities registered on certain national securities exchanges or quoted on NASDAQ provided that current price and volume information with respect to transactions in such securities is provided by the exchange or system). The rules require that a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from the rules, deliver a standardized risk disclosure document that provides information about penny stocks and the risks in the penny stock market. The broker-dealer also must provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson in connection with the transaction and monthly account statements showing the market value of each penny stock held in the customer’s account. In addition, the rules generally require that prior to a transaction in a penny stock, the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser’s written agreement to the transaction. These disclosure requirements may have the effect of reducing the liquidity of penny stocks.

### **Reliance on Management and Key Executives:**

The Company’s success is substantially dependent on the performance of its executive officers and key employees. The loss of an officer or director of the Company would have a material adverse impact on the Company. The Company will generally be dependent upon Tom Tamarkin for the direction, management and daily supervision of the Company’s operations. (See “management”)

### **Uninsured Losses:**

There is no assurance that the Company will not incur uninsured liabilities and losses as a result of the conduct of its business. The Company generally maintains theft and casualty insurance and has liability and property insurance coverage, along with workmen’s compensation and related insurance.

### **HOW TO SUBSCRIBE AND PURCHASE SHARES:**

- I. **Execute two copies of the Subscription Agreement. This means completing the bottom section of the Agreement by filling in all blank lines and signing. One copy of the Agreement is bound and follows this page; the second copy was provided in an envelope along with the Private Placement Offering Memorandum. The bound copy must remain attached to the Private Placement Memorandum.**
- II. **Execute two copies of Investor's/Shareholder Agreement. This means filling in the date in paragraph 1, page 1, filling in the number of shares of stock purchased in paragraph 3, page 1, followed again by the date, filling in the date on page 9, and completing all the blanks, including number of shares, and signing. A married individual must have their spouse sign as well. One copy of the Agreement is bound and follows this page; the second copy was provided in an envelope along with the Private Placement Offering Memorandum. The bound copy must remain attached to the Private Placement Memorandum.**
- III. **Complete offeree questionnaire. Two copies of this Questionnaire are provided; one is bound and follows after this page; the second copy was provided in an envelope along with the Private Placement Memorandum. Only the loose copy of the questionnaire need be completed; the bound copy must be remain attached to the Private Placement Memorandum. All questions must be either completed, or if you prefer, declined. To decline answering a question, simply write the word declined. The Questionnaire must be signed and dated where indicated. Investors may choose to complete the Waiver of Offeree Questionnaire in lieu of the Questionnaire.**
- IV. **Complete the loose copy of the Purchaser Information Sheet; the bound copy following this page must remain with the Private Placement Offering Memorandum.**
- VI. **Mail check, Offeree Questionnaire, Investor's/Shareholder Agreement, and Subscription Agreement to USCL Corporation at:**

**USCL Corporation  
2433 Garfield Avenue  
Carmichael, California 95608**
- VII. **USCL Corporation will return your Stock Certificate and a countersigned copy of the Subscription Agreement to you at the address provided on the Purchaser Information Sheet within 7 business days of receipt of your Purchase Agreements and payment.**
- VIII. **If for any reason USCL Corporation is unable to accept your purchase offer, your payment will be returned to you along with a letter of explanation, within 7 business days of receipt of your purchase Agreements and payment.**
- V. **Make check payable to USCL Corporation for number of shares purchased times \$1.50 per share. Note Minimum Investment of Twenty Five Thousand Dollars (16,667 shares) is required.**

***USCL CORPORATION***  
**COMMON STOCK PURCHASER**  
**INFORMATION SHEET**

**Name:** \_\_\_\_\_

**Address:** \_\_\_\_\_

**City:** \_\_\_\_\_

**State & Zip:** \_\_\_\_\_

**Home Telephone:** \_\_\_\_\_

**Business Telephone:** \_\_\_\_\_

**How do you want your stock titled: This means the name the stock is in:**

\_\_\_\_\_  
\_\_\_\_\_

**Social Security or Tax Payer ID Number:**

\_\_\_\_\_  
**Primary:**

\_\_\_\_\_  
**Spouse:**



## USCL Corporation

2433 Garfield Ave.  
Carmichael, California 95608  
SUBSCRIPTION AGREEMENT

I desire to participate in the USCL Corporation initial stock offering. Please accept my application for the purchase of \_\_\_\_\_ shares.

I have hereby remitted the sum of \$ \_\_\_\_\_ (at the rate of \$1.50 per share) for payment of the company's common stock as set out in the Private Placement Offering Memorandum dated November 1, 2006.

### I REPRESENT:

I have, either myself, or together with my advisor, sufficient knowledge and experience in financial, business and tax matters to evaluate the risks and merits of this investment.

I understand that this is a speculative venture and I am able to bear the economic risk of this investment.

I have read the Private Placement Offering Memorandum carefully and understand it. I am purchasing this interest for my own account and not for resale. I hereby state that no other promises or inducements, either oral or written, were made to induce me to sign this application other than my own investigation.

By executing this Subscription Agreement, I empower USCL Corporation to: (1) collect and disburse any and all payments for services and production made in my behalf; (2) deduct all proper operating and maintenance charges and taxes therefrom, and; (3) execute the necessary and/or standard operation contracts and agreements in accordance with USCL Corporation Private Placement Offering Memorandum dated November 1, 2006. The Private Placement Offering Memorandum is made part of this agreement by reference.

I (we) have read and understand the terms, conditions and statements set forth in the Private Placement Memorandum and by signing this Subscription Agreement am in effect agreeing to the terms, conditions and statement of that Private Placement Offering Memorandum.

Name \_\_\_\_\_

Phone Number \_\_\_\_\_

Address \_\_\_\_\_

Social Security or Tax Identification \_\_\_\_\_

\_\_\_\_\_

Date: \_\_\_\_\_

X  
Subscriber's Signature \_\_\_\_\_

Accepted \_\_\_\_\_  
USCL Corporation

**USCL Corporation**  
**INVESTORS' SHAREHOLDERS' AGREEMENT**

This investors'/ shareholders' agreement (this "agreement") is entered into effective as of \_\_\_\_\_ 200\_\_\_, by and among USCL Corporation, a Nevada corporation (the "Company"), and the Shareholders who have executed a Shareholder Signature Page hereto (hereinafter sometimes collectively referred to as "Shareholders" and individually referred to as a "Shareholder").

WHEREAS, in addition to other capital stock, the Company is presently authorized by its Articles of Incorporation to issue 5,000,000 shares of Voting Common Stock, no par value (the "Stock");

WHEREAS, each Shareholder, as a condition to the purchase of shares of stock pursuant to the terms of that certain Private Placement Subscription Agreement of USCL Corporation and dated November 1, 2006 has agreed to the imposition of certain restrictions on the transferability of such Stock to be owned by such Shareholder;

WHEREAS, the parties hereto have agreed to certain other matters as set forth herein;

NOW THEREFORE, for and in consideration of the premises, the mutual covenants and agreements contained herein and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. **Agreement to Restrictions.**

- a. **Restrictions on Transfer.** Each Shareholder expressly acknowledges and agrees that none of the Stock owned by him, whether now owned or hereafter acquired, or any interest therein, shall be sold, transferred, encumbered, assigned, pledged, hypothecated or otherwise disposed of (any of the foregoing are herein referred to as a "Disposition"), other than as expressly permitted herein, except under and pursuant to the terms of this Agreement. Any purported disposition not made in compliance with this Agreement shall be void ab initio and of no force and effect.
- b. **Right of First Refusal.** Each time any Shareholder proposes to make or suffers any Disposition of all or any portion of his Stock, or any interest therein, (other than Disposition expressly permitted by this Agreement) pursuant to a bona fide third-party offer, gift or otherwise, such Shareholder (the "Selling Shareholder") shall so inform the Company and the Founders by notice in writing (the "disposition Notice") stating the number of shares of Stock that are subject to such proposed Disposition (the "Offered Stock"), the name and address of the proposed transferee and the other terms and conditions of such proposed Disposition, including any consideration proposed

to be received for such Stock subject to the Disposition Notice (and if the proposed Disposition is to be wholly or partly for consideration other than cash or an indebtedness of any person, the Disposition Notice shall state the amount of the cash consideration, if any, and shall describe all non-monetary consideration. By giving a Disposition Notice, the Selling Shareholder shall be deemed to have granted to the Company and the Founders an option to purchase all or any part of such Offered Stock (i) if such Disposition is pursuant to a bona fide third-party offer, at the same consideration and on the same payment terms as are set forth in the Disposition Notice (except that any portion of the consideration as set forth in the Disposition Notice which is not cash or indebtedness of the transferee shall be payable in cash at the Appraised Value, defined below), or (ii) if such Disposition is other than pursuant to bona fide third-party offer, at a price equal to the Appraised Value of the Offered Stock. The Company shall notify the Selling Shareholder and the other parties hereto promptly upon its receipt of any final determination of the Appraised Value of the Offered Stock subject to the Disposition Notice.

"Appraised Value" as used above and herein shall mean the Fair Market Value of the Offered Stock or non-monetary consideration at the date of the Disposition Notice as determined by an independent appraiser selected by the Board of Directors of the Company, such selection to be within ten days of the receipt of the Disposition Notice; provided, however, if the Selling Shareholder shall object to such determination of the Appraised Value by the independent appraiser within ten days after being notified thereof by the Company, the Selling Shareholder shall within such ten-day period select another independent appraiser to determine the Fair Market Value of the Offered Stock or non-monetary consideration on behalf of the Selling Shareholder. In the event that the independent appraisers selected by each of the Company and the Selling Shareholder cannot within thirty days agree on the Fair Market Value of the Offered Stock or non-monetary consideration, then those two independent appraisers shall mutually select a third independent appraiser to determine the Fair Market Value of the Offered Stock or non-monetary consideration, and the Appraised Value determined by such third independent appraiser shall be binding on all of the parties hereto. The determination of the Appraised Value by the third independent appraiser shall be made within thirty days of his selection by the other independent appraisers. The cost of the independent appraisers shall, be born independently by the party so appointing, and in the case of the third appraiser, shall be born equally between the Company and the Selling Shareholder. Notwithstanding the foregoing, the Company and the Selling shareholder may independently agree and determine the Appraised Value of the Offered Stock or non-monetary consideration without retaining an independent appraiser, which determination shall be binding upon all of the parties hereto.

- c. **Intention to Exercise by the Company.** Within 30 days of the Company's receipt of any Disposition Notice, or the final determination of Appraised Value of the Offered Stock or non-monetary consideration referenced in the Disposition Notice, whichever is later, the Company shall notify the Selling Shareholder of the number of shares of the Offered Stock that it desires to purchase. The failure of the company to submit such notice within the applicable time period shall constitute an election not to purchase any of the Offered Stock to which the Disposition Notice pertained.
- d. **Intention to Exercise by Founders.** If the Company fails to exercise its option to purchase all of the Offered Stock, the Founders shall jointly and severally have until the 20th day following the expiration of the option period provided to the Company pursuant to the preceding Subsection to notify the Company of the number of shares of the Offered Stock which the Founders jointly and severally desire to purchase that remain subject to the Disposition Notice after the Company has exercised (or is deemed not to have exercised) its option. The failure of the Founders to submit any such notice within the applicable period shall constitute an election on their part not to purchase any of the Offered Stock to which the Disposition Notice pertained.
- e. **Manner of Exercise.** Upon determination of the number of shares of the Offered Stock to be purchased by the Company or the Founders (or both), the Company, on its own behalf and on behalf of the Founders, shall give notice of exercise or non-exercise to the Selling Shareholder within 15 Days following the expiration of the last option capable of being exercised pursuant to this Section 1.
- f. **Closing.** The Closing (herein so called) of the purchase and sale of the Offered Stock being purchased and sold under this Section shall take place at the Company's principal executive offices on the 10th day following the date of delivery of the notice of exercise by the Company pursuant to the preceding Subsection (or if such date is a Saturday, Sunday, or legal holiday in the state where such offices are located, the first date thereafter that is not a Saturday, Sunday, or legal holiday) at 10:00 a.m., local time; provided, however, that if the Selling Shareholder is deceased or mentally incompetent, the Closing for the purchase and sale of the Offered Stock shall be delayed as long as is necessary to allow the legal representative, executor, or administrator of the Selling Shareholder to qualify properly as such and to obtain all necessary authority to convey the Offered Stock. At the Closing, the Selling Shareholder and purchaser(s) of the Offered Stock shall take all necessary action to convey the Offered Stock in accordance with this Agreement, free of all liens, claims and encumbrances, all as reasonably determined by the Company. The Selling Shareholder agrees that he shall cause all of the shares of the Offered Stock to be purchased by the Company or the Founders to be released from any pledge

or encumbrance and to be free and clear of any other claim of any third person at or prior to the Closing.

- g. **Failure to Exercise.** If the Company and/or the Founders do not elect to purchase all of the Offered Stock within the period provided, then such portion of the Offered Stock not purchased by the Company and/or the Founders may be the subject of a Disposition by the Selling shareholder to the prospective transferee named in the Disposition Notice, for the price per share and otherwise on the terms and conditions set forth in the Disposition Notice, at any time within 60 days after receipt by the Selling shareholder of the notice from the Company in Section 1 (d) herein regarding the exercise by the Company or the Founders to purchase the Offered Stock; provided, that each transferee shall, prior to the Disposition of the Offered Stock to such transferee, execute and deliver to the Company a valid and binding agreement, satisfactory to the Company, to become bound in all respects as a Shareholder under the terms of this Agreement. The Selling Shareholder, upon a Disposition subject to this Section, agrees to grant to the Company full access to all of the Shareholder's records to determine to its satisfaction the terms of any Disposition to a third person pursuant to this Section to any transferee named in the Disposition Notice. Any of the Offered Stock not so disposed of within such sixty-day period shall remain subject to all of the provisions of this Agreement.

2. **Prohibition of Disposition to a Competitor.** Notwithstanding any provisions in this Agreement which may be to the contrary, each Shareholder hereby acknowledges and agrees that any Disposition or transfer whatsoever of any Stock by such Shareholder to a Competitor (as defined below) of the Company or to any majority shareholder or owner, officer, director, partner or family member of a Competitor, is strictly prohibited, and any such attempted Disposition or transfer of the Stock shall be void ab initio and of no force and effect. The term "Competitor" as used herein shall be any business entity, sole proprietorship, partnership, limited partnership, joint venture, corporation, limited liability company, limited liability partnership or other entity which does business anywhere in the world and is in the business of manufacturing, distribution, servicing or selling of like Company products

3. **Mandatory Sale of Stock by Shareholder.** If the Founders decide in their sole discretion to jointly sell all of the capital stock of the Company owned by them to a person or entity other than an entity in which the Founders, or a Founder, have majority equity ownership, each Shareholder hereby agrees to sell all of the Stock owned by such Shareholder to such person or entity to which the Founders are selling (or to the Founders immediately prior to the consummation of such transaction if the Founders are obligated to sell the Stock to such third-party purchaser), at the same purchase price per share and upon the same terms and conditions as those to be received by the Founders for the sale of their stock.

**4. Obligations of Transferees.** Each transferee or any subsequent transferee of shares of Stock or any interest in such shares, including but not limited to a spouse or the representative of the estate of a Shareholder or the spouse of a Shareholder, shall, unless this Agreement expressly provides otherwise, hold such shares or interest in the shares subject to all of the provisions of this Agreement and shall make no further transfers except as provided in this Agreement. Such transferee shall, upon receipt of any shares or any interest in any shares of Stock, execute a consent to be bound by and become a party to this Agreement in the form of that attached hereto as Exhibit A.

**5. Termination of Agreement.** This Agreement shall terminate on the earliest to occur of:

- a. the written agreement of the Company;
- b. the dissolution or bankruptcy of the Company;
- c. the date the Company first offers all or any part of its capital stock to the public through an underwriting and listing on a public stock exchange;
- d. the sale of all or substantially all of the assets of the Company; or
- e. the sale of all Stock of the Company as provided in Section 3 hereof;
- f. the merger of the Company (other than with a wholly-owned subsidiary), or a share exchange involving the Company, in which the Company is not the surviving corporation; or,
- g. any date on which only one Shareholder, or solely the Founders and no other Shareholders, own all of the shares of the Stock.

**6. Permitted Dispositions.** The following transfers of Stock that would otherwise be considered Dispositions in this Agreement shall be considered Permitted Dispositions and shall not be subject to the provisions hereof restricting such Dispositions. The "Permitted Dispositions" shall include:

- a. A disposition of the community property interest of a Shareholder's spouse in all or any part of the Stock to such Shareholder upon the death of such spouse;
- b. A disposition of the community property interest of a Shareholder's spouse in all or any part of the Stock to such Shareholder in connection with the termination of the marital relationship of the Shareholder and the Shareholder's spouse; and
- c. A Disposition resulting from a Shareholder's bona fide pledge of all or a portion of his Stock as security for indebtedness of such Shareholder incurred contemporaneously with the making of such pledge, provided that

contemporaneously with the making of such pledge, the pledgee agrees with the Company in writing that, prior to foreclosing or otherwise realizing upon the Stock so pledged as a result of a default in the payment or other terms of the obligation secured by such pledged Stock, the pledgee will offer to sell such Stock to the Company and the Founders as if the pledgee were a Shareholder proposing to make a Disposition of the stock in the manner stated in Section 1 hereof and the pledging Shareholder shall be bound by and shall join in the conveyance of the pledged Stock so purchased by the Company and/or the Founders.

7. **Representation of Shareholders.** Each Shareholder hereby represents and warrants to the Company that, as of the date of such Founder's execution of this Agreement, he is, or will be, the record and beneficial owner of the Stock set forth immediately below his name on the signature pages hereof, free and clear of all liens, claims, encumbrances and equities of every kind and character whatsoever.

8. **Spouse's Consent.** Each Shareholder's spouse hereby acknowledges, by execution of this Agreement, that she has read this Agreement and knows and understands its contents. Such spouse further acknowledges that by its provisions, Shareholder agrees to sell his shares of Stock on the occurrence of certain events. Shareholder's spouse hereby consents to the sale, approves of all of the provisions of the Agreement, and agrees that those shares of Stock and such spouse's interest in them (if any) are subject to the provisions of the Agreement and that such spouse will take no action at any time to hinder the operation of this Agreement as it affects such shares of Stock or the interest of such spouse in them. Each Shareholder hereby agrees to cause any future spouse of such Shareholder to execute this Agreement.

9. **Share Certificates.**

- a. Immediately following execution of this Agreement, each shareholder shall deliver certificates representing his Stock to the Company for the limited purpose of placing on such certificates the following restrictive legend (the "Legend"):

The securities evidenced by this certificate may be transferred or pledged only upon compliance with and subject to the provisions of the Investors'/ Shareholders' Agreement, dated \_\_\_\_\_, 200\_\_ by and among the Corporation and certain of its shareholders. A copy of such Agreement is on file in the office of the Secretary of the Corporation, and the Corporation will furnish a copy of such Agreement to the record holder of this certificate, without charge, upon written request to the Corporation at its principal place of business or registered office. Except as expressly permitted in such Agreement, any pledge of this certificate or the securities represented hereby shall be expressly subordinate to the rights of the parties to that Agreement.

- b. After each certificate representing the shares of Stock has been properly endorsed as provided above, it shall be returned to shareholder who owns such certificate, who shall have and may exercise all rights of ownership concerning said certificate (and the shares evidenced thereby) not expressly denied or circumscribed the terms of this Agreement.
- c. If any Shareholder acquires any additional shares of the capital stock of the Company during the term of this Agreement, in whichever way obtained, the same shall be subject to the terms and conditions of this Agreement and considered for purposes of this Agreement to be included in the definition of and be a part of the "Stock", and the Company shall have the right to place on the certificate or certificates evidencing such shares the Legend specified in Section 9(a) hereof.
- d. If the Company declares a capital stock dividend on its Stock, subdivides its outstanding Stock, combines its outstanding Stock into a smaller number of shares, or issues any shares by reclassification of its Stock, the number of shares of Stock subject to the purchase rights, options, and rights of first refusal specified herein at the time of the record date for such dividend or of the effective date for such subdivision, combination, or reclassification, shall be proportionately adjusted so that Shareholder, the Company or the Founders, as the case may be, shall be entitled, upon exercise of such rights and options, to receive the aggregate number and kind of shares which, if such rights or options had been exercised immediately prior to such time, it or they would have owned upon such exercise and been entitled to receive upon such dividend, subdivision, combination, or reclassification.
- e. Upon termination of this Agreement pursuant to Section 5 hereof, each Shareholder shall surrender to the Company the certificates representing the Stock and the company shall issue to them in Lieu thereof replacement certificates, without the Legend described in Section 9(a) hereof representing an equal number of shares of Stock.

**10. Miscellaneous Provisions.**

- a. Each party to this Agreement agrees to perform any further acts and execute and deliver any documents that may be reasonably necessary to carry out the provisions of this Agreement.
- b. The parties hereto agree that it would be impossible to measure in money the damages which would accrue to a party hereto by reason of a failure to perform any of the obligations under this Agreement. Therefore, if any party hereto finds it necessary to institute any action or proceeding to enforce the provisions hereof, including an action for specific performance, any person against whom such action or proceeding is brought hereby waives the claim or defense that the party



**instituting such action has an adequate remedy at law and such person shall not urge in any such action that an adequate remedy at law exists.**

- c. The provisions of this Agreement may be waived, altered, amended, or repealed, in whole or in part, only with the written consent of all parties to this Agreement.**
- d. This Agreement shall be binding on, and shall inure to the benefit of, the parties to it and their respective heirs, legal representatives, successors, and permitted assigns.**
- e. It is intended that each Section of this Agreement shall be viewed as separate and divisible, and in the event that any Section or provision thereof, shall be held to be invalid, the remaining Sections shall continue to be in full force and effect.**
- f. All notices, requests, demands, and other communications under this Agreement shall be in writing and shall be deemed to have been duly given (i) on the date of service if served personally on the party to whom notice is to be given, or (ii) at 10:00 a.m. on the third day after deposit in the United States mails, if mailed to the party to whom notice is to be given, by first class mail, registered or certified, postage prepaid, and properly addressed to the party at the address set forth beneath such party's name on the signature page hereof or at such other address as such party may have specified in writing to all the other parties hereto in accordance with this Section 10(f.).**
- g. This Agreement shall be construed in accordance with, and governed by, the laws of the State of Nevada, and shall be performable in the State of Nevada.**
- h. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.**
- i. This Agreement supersedes any and all other agreements, either oral or written, between the parties hereto with respect to the subject matter hereof and contain all of the covenants and agreements between the parties with respect thereto.**
- j. If the Company is unable to purchase all of the shares of the Stock which it is then obligated or has the option to purchase (and the Company desires to exercise its option) by virtue of the limitations contained in the 1933 Securities Act, as the same is now written or as it may be amended, then the Company, and the other parties to this Agreement, shall promptly take such action as may be necessary to place the Company in a position to carry out its rights and obligations under this Agreement; provided, however, that the provisions of this Section 10(j.) shall not be construed to impose an obligation on any of the Founders to make any additional contributions to the capital of the Company. In the event the Company, after taking any action contemplated by this Section 10 (j.), is still unable to**

**purchase all of the shares of the Stock which it is then obligated, or has elected, to purchase at a price determined in accordance with this Agreement, the number of such shares of Stock which the Company is then obligated, or has elected, to purchase shall be as many shares of Stock as the Company shall then be authorized to purchase under the provisions of the 1933 Securities Act; notwithstanding any provision of this Agreement to the contrary, the particular Founder shall have the right and option to purchase any remaining shares of Stock otherwise the subject of such obligation or option in favor of the Company on the same terms and conditions as those set forth in the applicable provision herein, as if the Company had been the purchaser of such Stock.**

- k. Whenever required by the context hereof, the singular shall include the plural, and vice-versa; the masculine shall include the feminine and neuter genders, and vice- versa.**

**IN WITNESS WHEREOF, the parties have executed this Agreement in multiple counterparts, each of which shall constitute an original, effective as of \_\_\_\_\_, 200\_\_.**

**ADDRESS:**

**2433 Garfield Avenue  
Carmichael, California 95821  
916-482-2000**

**USCL Corporation**

**By: \_\_\_\_\_  
Tom D. Tamarkin, CEO**

**USCL Corporation**  
**SHAREHOLDER SIGNATURE PAGE**

**Name:** \_\_\_\_\_

**Signature:** \_\_\_\_\_

**Address:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Number of Shares:** \_\_\_\_\_

**I, the undersigned, being the spouse of the above-named Shareholder, hereby acknowledge that I have read and understand the foregoing Shareholder’s Agreement, and I agree to be bound by the terms thereof, including, but not limited to, Section 8 thereof.**

\_\_\_\_\_  
**Signature of Spouse**

\_\_\_\_\_  
**Printed Name of Spouse**

**USCL CORPORATION**  
**WAIVER OF OFFEREE QUESTIONNAIRE**

**I have read the following document entitled USCL Corporation Offeree Questionnaire in its entirety and *I hereby decline to complete said document as a precondition to purchase* USCL Corporation common stock shares pursuant to the Private Placement Offering Memorandum, dated October 5, 2005, a copy of which is attached hereto.**

**I am aware of the "suitability standards" imposed by Regulation D and rule 501 of the 1933 Securities Act promulgated by the United States Securities and Exchange Commission and I have read the Terms Of Eligibility section of the Private Placement Offering Memorandum referenced above as provided in page 14 therein.**

**I hereby represent that I am, in fact, qualified as an investor pursuant to the Rules and Regulations imposed by federal and state law**

**CHECK ONE OF THE FOLLOWING:**

\_\_\_\_\_ **I hereby represent that I am an "*Accredited Investor*":**

\_\_\_\_\_ **I hereby represent that I am a "*Non-accredited Investor*":**

**Name:** \_\_\_\_\_

**Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Address:** \_\_\_\_\_

**City:** \_\_\_\_\_

**State & Zip:** \_\_\_\_\_