

**Jeffrey H. Michel**  
**Sommerhuder Straße 23**  
**22769 Hamburg**  
**Germany**  
**Tel. 01149 – (0) 40 – 51906826**  
**Mobile 01149 – (0) 176 – 28061314**  
**International 1 – 770 – 821 – 8792**  
**jeffrey.michel@gmx.net**

USCL Corporation  
Tom Tamarkin  
5545 El Camino Ave.  
Carmichael, CA 95608  
U.S.A.

August 9, 2016

**Per email with receipt certification and registered air mail**

Dear Tom,

I am in receipt of your shareholder reports of July 24 and of August 4, 2016

To date, no payment has been made on the invoices due on January 31, 2016, that were addressed to the USCL Corporation and to you personally. Furthermore, you have not provided the information stipulated in my letter of January 20, 2016, in accordance with California Corporations Code §1601, by which I am entitled to inspect the accounting books and records and minutes of proceedings of the shareholders and the board and committees of the USCL Corporation for any purpose reasonably related to my interests as a shareholder. The right of the shareholders to inspect the corporate records may not be limited by the articles or bylaws.

Against this background, I enclose the following updated invoices that are due on August 31, 2016:

- Invoice Number 14/2016 for 5,372.67 US dollars for USCL claim enforcement
- Invoice Number 15/2016 for 218,403.89 US dollars for outstanding USCL claims
- Invoice Number 16/2016 for 111,804.24 US dollars on your personal liability.

The loan of 60,000 US dollars I provided to USCL per the Memorandum of Understanding of February 2, 2007, and confirmed by the UCC Financing Statement of April 1, 2007, was granted under your personal guarantee to provide full protection of my assets. You are accordingly listed as a debtor on the UCC Financing Statement. The

loan was provided exclusively for manufacturing the meter enclosure. No alternative usage was authorized or intended. The loan was to be repaid in proportion to the number of enclosures and associated parts made with the enclosure tooling (molds and dies), enabling the USCL EnergyCite meter to be manufactured "as swiftly as possible". In the event of default, the tooling itself was to be given to me, or the Corporation and you personally were to compensate me for all outstanding indebtedness.

The bonding liability you assumed as a debtor on Form UCC1 of April 1, 2007, covers all "assets owned by Tom D. Tamarkin including but not limited to cash" as collateral.

The UCC Financing Statement "is filed to perfect a security interest in named collateral and establishes priority in case of debtor default or bankruptcy" according to the laws of California (<http://www.sos.ca.gov/business-programs/ucc/financing-statement/>). The Form UCC1 of April 1, 2007, is therefore a lien that equally and fully applies against the USCL Corporation and against you personally that comprises all of your assets and funds in your possession. You are fully liable for payment to whatever extent the loan is not otherwise repaid.

After the original terms of loan repayment had not been met, you contested their validity in contradiction to the UCC Financing Statement until I received a court settlement to confirm them. The terms of repayment were instated by signed agreement of March 28, 2011. Since March 1, 2012, I have received no further installment payments from USCL or from you personally for fulfilling the terms of this agreement.

Although you remain in default, your shareholder letters have repeatedly confirmed available funds used for other purposes. You have developed new activities not indicated in the USCL EnergyCite Business Plan of October 2005, the nature of which would have never occasioned an investment by me. The efforts you have devoted toward these activities, including international travel, have diminished the resources available for increasingly overdue repayment to me.

Your letter of July 24, 2016, now indicates that a tax lien could additionally be filed by the State of California Franchise Tax Board against USCL amounting approximately to 180,000 US dollars. The possibility of a personal sanction has been declared against you if payment is not made.

Since these actions have been announced but not yet enacted, my existing claims take precedence. I therefore advise you to notify the California Franchise Tax Board of that circumstance, and to send me a copy of your communication by August 31, 2016. Otherwise, I will contact the Franchise Tax Board to determine the basis of their claims against you.

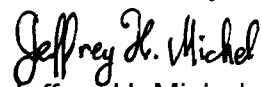
You have also written: "At some point in the future we will have to engage legal and CPA counsel to get this obvious mistake corrected." You are thus confident of arranging the necessary funding for this purpose, while you have withheld all installment payments owed to me for the last four and a half years. I now require you to provide me the following information in conformance with the California Corporations Code §1601.

1. The itemized distribution of funds by USCL drawn from my 60,000 US dollar loan that was provided per the Memorandum of Understanding of February 2, 2007, and confirmed by the UCC Financing Statement of April 1, 2007.
2. The current location of all funds drawn from the above loan.
3. All fees paid by USCL to attorneys and judicial agencies for legal consultations and settlements after March 1, 2012.
4. All fees paid by USCL and by you personally for USCL patents issued or renewed after March 1, 2012, listed according to filing date, designation, and country.
5. Your entire outlays for your trip to Israel at the end of 2012 to conduct USCL business, including flight and ground transportation costs, hotel, and other expenses incurred.
6. Your entire outlays including flight and ground transportation costs, hotel, and other expenses incurred for all further trips in representing USCL from the Sacramento area after March 1, 2012.
7. Any other outlays diverted from the due satisfaction of my claims against the USCL Corporation and you personally.

While I am entitled to conduct this inspection at the offices of the USCL Corporation, sending me the specified certified information by August 31, 2016, will initially satisfy the requirements of the California Corporations Code.

Additional requests may be subsequently made. I reserve the right to take all actions in conformance with provisions of the California Corporations Code, until which time the obligations resulting from my claims have been fulfilled and my 80,000 shares of USCL stock have been redeemed.

Yours sincerely,

  
Jeffrey H. Michel

Enclosure