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

January 20, 2016

Per email with receipt certification and registered air mail

Dear Tom,

As of this date, no further payment has been made to the account specified on my invoices in satisfaction of my claims against the USCL Corporation and you personally. I am obligated to repeat and affirm the basis upon which these claims have been made.

The updated invoices with payment due on January 31, 2016, are enclosed. You are personally indebted to me for the amount of \$107,578.33 indicated on invoice number 3/2016 issued to you.

Your communication of December 17, 2015, contains statements that contradict actual circumstances. I did not provide the loan to you on April 1, 2007, but instead to the USCL Corporation. Following the default of payment, and likewise after I had won the corresponding legal settlement against the Corporation documented by the agreement countersigned by us on March 28, 2011, there was no reason to initiate any legal action against you. Only once USCL discontinued making scheduled payments after March 1, 2012, did that necessity become pertinent.

You had assumed the bonding liability documented on the UCC-1 form on April 1, 2007, drawn from all "assets owned by Tom D. Tamarkin including but not limited to cash". The fact that you did not immediately assume the responsibility of continuing the scheduled payments to me after March 2012 was reflected in your repeated statements on being without any substantial financial means. On the basis of that information, legal action pursued against you would have incurred additional expenses without a tangible prospect of receiving compensation.

Only on November 24, 2014, did you reveal that you had in fact been availed of funds that could have contributed to satisfying my claims. Instead of rendering payment to me, however, you made a trip to Israel in late 2012. That decision on your part indicates that financial resources that you had consigned to me on April 1, 2007, were used by you for international travel.

According to the California Secretary of State (<http://www.sos.ca.gov/business-programs/ucc/financing-statement/>), a form UCC-1 "is filed to perfect a security interest in named collateral and establishes priority in case of debtor default or bankruptcy." The UCC-1 statement of April 1, 2007, is therefore a lien equally and fully against the USCL Corporation and against you personally that comprises all of your assets, including the money you expended to travel to Israel. This lien applies to the loan of \$60,000 that I provided to USCL at that time.

The denial of liability by you contradicts the agreement of 2007 that subsequently has not been not upheld. The loan was granted on condition that no financial risk would be incurred by me, since otherwise I would not have provided the money. As stated in the loan agreement, my invested equity was to be returned with interest after the corresponding meter enclosure tooling (molds and dies) had been completed. USCL was to repay my loan in proportion to the number of enclosures and associated parts manufactured with the tooling, 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.

With your signature, you assumed personal liability for any funds not duly paid by the USCL Corporation. By your own admission, you have used funds available to you for purposes other than satisfying your obligations to me.

That is an extremely serious matter that cannot be alleviated by "patience" on my part. I have received neither the money due me nor the meter enclosure tooling. The USCL Corporation under your direction has kept both in its possession. It is therefore now necessary for full accountability to be made for the financial loss I continue to incur.

The precise total amount of funds due to me after the last installment payment made by the USCL Corporation on March 1, 2012, but instead used for other purposes must be immediately clarified. Kindly provide me a certified statement listing all of the following.

1. Your entire outlays including flight and ground transport costs, hotel, and other expenses incurred for your trip to Israel at the end of 2012.
2. Your entire outlays including flight and ground transport costs, hotel, and all other expenses incurred for all further trips undertaken by you from the Sacramento area after March 1, 2012.
3. Any other outlays diverted from the due satisfaction of my claims against the USCL Corporation.

This written demand is being made 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.

While I am entitled to conduct this inspection personally, sending me the specified certified statement will momentarily satisfy the requirement. I expect to receive this statement from you or from any authorized representative of the USCL Corporation within fourteen days from today, as stipulated by the California Corporations Code.

All other management decisions made by the USCL Corporation, by its board of directors, or by you personally are not specific to these claims, except that they remain subordinated to the necessity of priority settlement. I may respond to any uncertainties on that matter with a simple question that you have never answered: What was done with the \$60,000 that I had provided in February 2007 for the exclusive purpose of manufacturing the meter enclosure tooling, and by whose authority were those funds neither used for the purpose for which they were intended, nor returned to me as you had pledged?

Kindly answer this question when you send the certified statement detailed above.

Yours sincerely,

A handwritten signature in black ink, reading "Jeffrey H. Michel". The signature is written in a cursive, flowing style.

Jeffrey H. Michel

Enclosure