Q 3 2016 USCL & EnergyCite® Status Summary

This status report continues from the Q1 2016 report. A Q2 report was not sent out.

If you are new to this USCL status report broadcast it is because my Linkedin profile account identified a few old email addresses which were not on the broadcast list before. If anyone wishes to be removed let me know.

The USCL shareholder restricted entry portal on <u>http://tamarkin.us</u> has been updated with the 2010 live streamed shareholder meeting video and the 2012 shareholder year end videos. All the previous 2015 and newer USCL shareholder reports are achieved there as well. As stated in the previous emails, the passcode for USCL shareholders to get into that section is 2020. Again, 2020 like EMS-2020. The website is tamarkin dot us (not com) if the above link does not work for you.

We have changed the focus and business strategy. Whereas our plan was to raise initial "seed capital" to fund the crowdfunding program development and launch, our strategy has been adjusted over the last 60 days to be more focused and effective.

Now we are focusing on corporate investors/partners who have strategic interests in home automation, IoT (Internet of Things,) "cloud" services for computational analysis & control, and our PowerMasters[™] video games which are enhanced with a direct connection to the smart meter.

This is explained in our generic white paper which has been sent to potential partners/funders and is published on-line at: <u>http://fusion4freedom.us/smart-energy-home-automation/</u>

The <u>http://energycite.com</u> website has been revamped with that focus accentuated.

Our plan is to continue the crowdfunding campaign once corporate partners have made financial investments or advances to us. The proceeds of such a crowdfund capital raise will still be apportioned as stated in the last several status reports. The USCL debt will be retired which is comprised of the two judgment creditors, SBL loans, legal services patent attorneys and associated fees and accounting support services. The company has incurred no new debt in the last 4 years.

Additionally funds will be used to revive the corporation as described in the previous reports and for patent and trademark maintenance fees. We currently have approximately \$2,000 due with the State of Israel for the most recently granted patent, \$900.00 due with the USPTO for the Tamarkin, et al, 8,306,390, and approximately \$950 due at the USPTO for the EnergyCite® registered trademark. All three must be paid prior to November or the respective patents and mark will be irrevocably abandoned and lost.

As a disclosure issue, the State of California Franchise Tax Board is threatening to file a tax lien against USCL in the approximate amount of \$180,000 and to sanction me personally for not paying. This is absurd because taxes are only incurred on income. Our previous fillings with the CA FTB show a \$2.7 million loss carry forward. There has been no activity since then. The FTB is "impossible to deal with." Every two months I send the FTB a certified receipt return requested letter explaining they are wrong and they respond with payment demand and another 2 month's accrued interest. At some point in the future we will have to engage legal and CPA counsel to get this obvious mistake corrected.

To be clear, I am focusing all efforts on securing corporate partners and funds. This is simply and concisely laid out at: <u>http://energycite.com/about.php</u>. Once EnergyCite® is funded and the crowdfunding launch is funded, and the USCL debt retired, EnergyCite® will be reversed merged into USCL Corporation as explained before.

Current activities and contact information for me is on the <u>http://tamarkin.us</u> website with all social media links at the bottom of that home page.

Kind regards,

USCL - EnergyCite LTD

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Tom Tamarkin