

## ***EnergyCite LTD Executive Summary:***

EnergyCite® is a registered trademark under the USPTO held by USCL Corporation since 2004.

EnergyCite LTD is a Nevada LLC organized by [Tom Tamarkin](#) of Carmichael, CA, [Pat Boone](#) of Hollywood, CA and [Don London](#) of Somerset, CA. The entity was first formed in July 2015 as a clean LLC with no liabilities.

EnergyCite LTD was organized to be the investment vehicle to further the business of USCL Corporation (inactive status,) a Nevada Corporation organized in 1995 by Tom D. Tamarkin.

USCL has developed technologies and holds [patents](#) in the field of smart meter communications, in-home display and control of energy use, and the overall integration of home automation, energy management, and new state of the art utility payment programs allowing customers to constantly monitor energy consumption and pay for it at their convenience; as often as they wish.

The [patents](#) are granted to Tom Tamarkin, et al, and assigned to USCL Corporation. The Parent U.S. [7,379,791](#) and its two continuations, [8,306,668](#) and [8,639,390](#) (USPTO [8639,390 assignment correction](#)) are extremely valuable patents and strongly contribute to the future recurring revenue.

The [patents were drafted to cover the modern utility smart meters](#) used by electric, gas and water utilities and the system topology. The patents strategically make the utility company the “single end user.” This is an important point because it is the utility company that becomes the patent infringer when the smart meters are installed and their full functionality is exercised.

As of Q3 2016, approximately 65 million electrical utility smart meters have been deployed nationwide by utilities. Virtually all new smart meters contain two radio transceiver sets providing 2 way data communications. One is used to send and receive data to and from the utility. This is used primarily for billing purposes. The second radio set transmits and receives data to local consumer electronics devices. The vast majority of these home area network transceivers have not been activated by the utility companies except in very small pilot projects in California, Texas, New York, and Illinois.

EnergyCite and its parent company, USCL, plan to launch a business which will organize a large group of utilities in a consortium who will be licensed to practice the USCL IP and will manage tens of millions of smart meters via the EnergyCite network.

Products and services will be provided which allow homeowners and small businesses to conserve power and ensure that their use of power is consistent with the lowest tariff rate based on new complex tier, time of use, peak demand, and real time pricing tariffs.

Additionally a new real time based automated payment transaction system with electronic funds transfer will be offered which effectively converts each smart meter coupled with a smart phone into a utility based ATM like device.

A high level description of the business opportunity and plan has been provided [on-line](#).

Revenues will be recurring produced through the utility companies:

- IP (system topology patents) licensing to the utility company based on the need of the single end user to practice this IP
- EnergyCite® Consortium LAN data management for utilities .
- Cloud based artificial intelligence automation control & analytics
- [Pay as you go billing plan](#); transactional fee based

Expanded explanation on the above points is [provided on-line](#); click on the + more.

Significant additional revenue will be generated through sales of the EnergyCite® [PowerMasters™ video games](#). Profits from the on-going sales of the PowerMasters games will be used to fund the [Fusion Energy Consortium](#).

Additional hardware product sales will be based on:

- Wireless ZigBee compliant smart meter adapter device
- Smart phone application programs
- Home automation controller (hub)
- Smart plugs
- Smart thermostat with Relative Humidity
- Temperature sensors
- Ground water moisture sensors
- Security sensors; i.e. motion detection, door, & window intrusion

USCL Corporation is currently on inactive or revoked status with the Secretary of the State of Nevada. Management allowed the company to enter this status due to lack of outside equity funding.

USCL has a [\\$2.8 million federal tax loss carry forward](#) which may be carried forward to the point of profitability. Assuming a corporate tax rate of 25% this is an asset worth approximately \$700,000 off set against taxes due.

The USCL Corporation will be [revived with the State of Nevada](#) and the Articles of Incorporation will be modified to alter the capital stock from its original “no par value” thereby reducing future Nevada State annual corporate fees.

Tom Tamarkin has continued USCL’s business and its fundraising activities with the intent of obtaining equity funding for USCL and retiring the USCL debt through settlement negotiations and payment.

### **Core Revenue Potential**

EnergyCite/USCL will introduce its products and services with its “Pay as you go” electricity payment program.

This is a means to pay for electricity on a monthly, weekly, or even daily basis. Several years ago, EnergyCite coined the phrase/name “**pay as you go.**” (Another company doing an older generation and far less efficient version of this is named **PayGo.**)

In this instance we use the real time stored meter data to calculate billing in real time, up to the minute, and reconciled with the utility’s back office systems to include credits, offsets, taxes surcharges, and the like.

We convert each smart meter to a local cash register for the utility and ATM like payment device for each utility customer.

Through a series of simple screens on the customer’s smart phone, the customer knows exactly what his bill is up to the second. He presses a “pay my bill” button and his bank or credit account is debited and payment sent to the utility. A transaction payment fee is applied as our revenue generator. The company assumes a \$.50 per billing transaction fee.

We also include the host of other screens and control options via IoT, thermostats, and the like.

There is significant history in the U.S. and other countries on pre-pay plans for electricity.

Salt River Project, (SRP) headquartered in Phoenix, Arizona, has 996,600 accounts. Of those approximately 185,000 are on a prepay plan. This uses a digital meter with a home display and a card swipe reader. The customer goes to his local grocery store or other retail outlet and gets his electricity prepay card “charged” with an ATM like machine at a SRP supplied kiosk. He goes home, swipes the card in the meter display and now has X dollars of power. When X is used up his meter disconnects his service; as a practical matter, the customer never lets that happen, but rather gets his card charged up before his home meter decrements to zero power. This was first developed

for chronic late-payers and non-payers as a collection measure. It has been adopted by credited impaired customers. However, because of the display and the discipline it instills, many customers find that it helps them conserve power. SRP indicates that over 18% of their customers are now on their system and JD Powers and Associates indicates the customers' satisfaction level is outstanding.

[“Paying it Forward” by Landis+Gyr](#) arguably the largest electric utility meter manufacturer worldwide and describes the state of the art prepayment approach.

EnergyCite takes that concept to the next level...the 21<sup>st</sup> Century level. We eliminate the headache of having to go get the card charged and we turn the smart phone into the payment terminal. The millennial generation will champion this and it will migrate to other demographics shortly. Once it becomes popular it will become mainstream and people won't go back. Analogy: Would you go to a filling station and buy gasoline using black box pumps that did not tell you the price per gallon, how many gallons you have pumped and how much you have spent...penny by penny?

We believe we can achieve a greater than 20% penetration nationwide within 3 years. That would equate to roughly 16 million accounts.

Assume 50% pay monthly.	8.0 million X \$0.50 X 12 = \$ 48,000,000
Assume 30 % pay every 2 weeks	4.8 million X \$1.00 X 12 = \$ 57,600,000
Assume 20% pay weekly	3.2 million X \$2.00 X 12 = <u>\$ 76,800,000</u>
Annual transaction fees	\$182,000,000

A 20% market place penetration will be seen by some as low but one must consider the fact that utility companies are like big lumbering giants who move at the speed of a glacier. However the EnergyCite consortium will speed this up quickly.

The above revenue forecast is for payment transaction fees only. This does not include IP royalty fees, hardware product sales, etc.

### **Moving Forward Proposal**

EnergyCite LTD is currently seeking to raise \$4,000,000

After closing costs, commissions and related expenses, the company estimates it will net \$3.75 million.

A first year use of proceeds follows:

### General & Administrative

Employee Compensation	205,000	
Consultants/contractor	50,000	
Rent	30,000	
Office Equipment	2,500	
Computers	6,000	
Software	2,750	
Furniture & Fixtures	5,000	
Repairs & Maintenance	3,000	
Utilities	6,000	
Security	1,200	
Communications/Internet	5,400	
Legal	25,000	
Patent and IP maintenance	45,000	
Insurance	7,000	
Audit & tax	25,000	
Office Supplies	7,500	
Postage & Shipping	3,600	
Reference Materials	3,000	
Dues & Subscriptions	1,500	
Travel & Entertainment	25,000	
Automobile Expense	3,900	
Bank Charges	1,000	
<b>Subtotal G&amp;A</b>		<b>\$464,350</b>

### Product Development (R&D)

Employee Compensation	280,000	
Consultants/Contractors	800,000	
Materials consumed	15,000	
Tools & Supplies	3,500	
Computers & Test Equipment	20,000	
Test & Certification	25,000	
Travel & Entertainment	30,000	
<b>Subtotal Product Development</b>		<b>\$1,173,500</b>

### Sales & Marketing

Employee Compensation	260,000	
Sales samples	45,000	

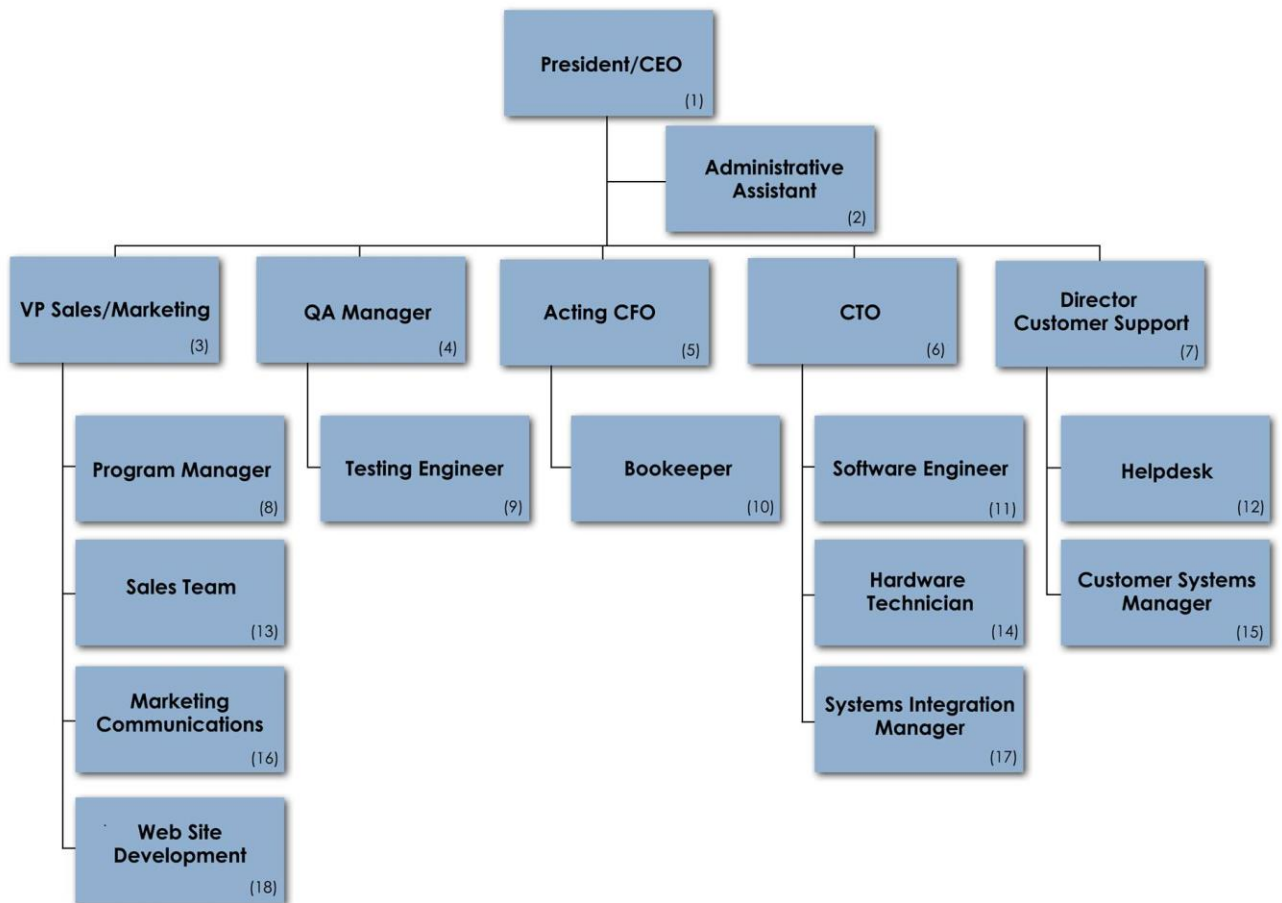
Consortium Organization	200,000	
IP Claim Chart development	35,000	
Collateral Materials	15,000	
Website development & mtn	45,000	
Advertising	18,000	
Media development	60,000	
Regulatory Management	125,000	
Travel & entertainment	60,000	
<b>Subtotal Sales &amp; Marketing</b>		<b>\$863,000</b>
<b>Beta Site Project Management</b>		
Employee Compensation	120,000	
System Deployment Equipment	300,000	
Tools & test equipment	4,000	
Computers software	6,000	
Travel and entertainment	18,000	
<b>Subtotal Beta Site</b>		<b>\$448,000</b>
<b>USCL Reorg expenses</b>		
USCL Nevada State Revive fees	20,000	
Creditor settlements	445,000	
Accrued G&A Expenses	25,000	
Accrued management compensation	60,000	
Legal & negotiations	10,000	
<b>Subtotal USCL Reorg</b>		<b>\$560,000</b>
PowerMasters Game Crowd Source Program		<b>\$150,000</b>
<b>Total projected costs</b>		<b>\$3,658,850</b>

USCL's debt is reflected in its FY 2010 [financial statements](#). The debt load is private consisting of funds advanced to the company in the 2006-2007 time frames through a [syndicated bridge Loan \(SBL\)](#) from company shareholders. It is noted that demand has not been made for the SBL loans and the 4 year statute of limitations has long expired. The company believes it will be successful in negotiating discounted settlements. The company plans to engage the services of a well-known Sacramento based lawyer skilled in such negotiations to obtain the most favorable settlements to the company. There are two judgments resulting from old collection lawsuits.

**USCL Due Diligence Resource:**

USCL has assembled a [comprehensive due diligence resource site](#) covering the firm's operating history from 2001 to present.

**A preliminary first year organizational chart follows:**



### Initial Management Team

- [Tom Tamarkin](#), President & CEO [LinkedIn Profile](#) Sacramento, CA area
- [Brent Welch](#), Acting VP Sales & Marketing [LinkedIn Profile](#) Atlanta ,GA area
- [Lynn Provencio](#) Webmaster & collateral design [LinkedIn Profile](#) ABQ, NM area
- [Dayan Paul](#), PowerMasters™ Game design leader [LinkedIn Profile](#) Reno, NV
- [Irvin Lindemuth, Ph.D.](#) advisor and designated chairman of fusion energy consortium project review board

## **Funding Proposal:**

EnergyCite LTD proposes a \$4,000,000 equity investment. The final investment entity from which investors will receive common shares is USCL corp. The investment is divided into three tranches and styled Phase I, Phase II, and Phase III accordingly.

Funds for Phase I and Phase II will be transferred to EnergyCite LTD in exchange for a LLC member position pursuant to a comprehensive MOU followed by a detailed contractual agreement.

### **Phase I**

\$125,000 advance to EnergyCite LTD pursuant to first MOU

- EnergyCite/USCL completes a comprehensive business plan for review by the investors and meetings to incorporate needed changes, suggestions, and the like. The business plan shall be a living document and the basis to manage the enterprise.
- Provides the investors a 30 to 45 day period to conduct legal, financial and business outlook due diligence.
- Allows EnergyCite management to present a proposed total cost of USCL reorganization including settlements with all creditors.
- Agreement between EnergyCite LTD/USCL and investor on final equity position in USCL based on investor's equity in ratio to outstanding equity.
- Agreement in the composition of the final Board of Directors.

### **Phase II**

\$500,000 to be released to EnergyCite LTD after due diligence pass and agreement on reorganizational expenses

- All USCL liabilities and contingent liabilities ([CA FTB](#)) will be satisfied and resolved to the satisfaction of the investor.
- USCL's reorganization is complete and all existing shareholders will approve the plan and exchange their current common stock certificates based on no par value for a new certificate based on ,001 per share.
- All final issues flagged in the investors due diligence shall be resolved.

### **Phase III**

\$3,375,000 to be released to USCL

- USCL launches its operational phase.