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(732) 363-0666 —— FAX # (732) 363-9864

August 9, 2017

VIA FEDERAL EXPRESS

Mr. Adam Goldenstein
Goldenstein Engineering and Fabrication LLC

Dear Mr. Goldenstein:

This law firm represents George J. Coates ("Inventor") and Coates International, Ltd. ("CIL"). Mr. Coates is the owner of numerous United States Patents. A list of those Patents is attached hereto as Exhibit A. Mr. Coates granted to CIL an exclusive license to make, use and sell the patented intellectual property ("License").

These Patents relate to a Spherical Rotary Valve assembly for use in internal combustion engines of numerous types. Pictorial representations of the assembly are included in Exhibit B.

Mr. Coates and CIL discovered that Goldenstein Engineering and Fabrication LLC ("GEF") and you copied the patented drive assembly; thus, infringing on the Patents. The component parts of GEF's infringing products are depicted in Exhibit C. Neither you nor GEF had a right to infringe on the Patents by producing components for motor vehicle engines that copied the patented invention.

Mr. Coates and CIL's claims against GEF and you for patent infringement arise under 28 <u>U.S.C.</u> §§1331 and 1338. GEF and you infringed and are continuing to infringe on the Patents by engaging in acts including making, using, selling or offering to sell within the United States, or importing into the United States, products that embody the patented invention described and claimed in the Patents, including various types and models of motor vehicles. Furthermore, it appears that GEF and you induced infringement of the Patents and/or committed acts of contributory infringement of the Patents. The activities of GEF and you have been without expressed or implied license from CIL.

Mr. Coates and CIL hereby demand that GEF and you immediately cease and desist from all activities that infringe on the Patents. Moreover, Mr. Coates and CIL demand that GEF and you compensate them for the losses or damages they have sustained.

BATHGATE, WEGENER & WOLF

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August 9, 2017 Page 2

The use of the confidential and proprietary information of Mr. Coates and CIL by you and GEF support the assertion that GEF and you deliberately, willfully and intentionally infringed upon the Patents; thus, entitling Mr. Coates and CIL to triple damages. Because this is an exceptional case Mr. Coates and CIL will be entitled to receive attorneys' fees, costs and expenses.

Mr. Coates and CIL are prepared to institute litigation against GEF and you for the relief outlined in this letter. If GEF and you would like to discuss a resolution of those claims prior to the filing of the civil complaint, please authorize an attorney to contact me. If GEF and you do not express a desire to resolve these claims but, instead, continue to infringe on the Patents, suit will be instituted.

Respectfully,

WILLIAMJ. WOLF

WJW/fdg Encs.

cc: George J. Coates

EXHIBIT A

GEORGE J. COATES and GREGORY G. COATES

PATENTS

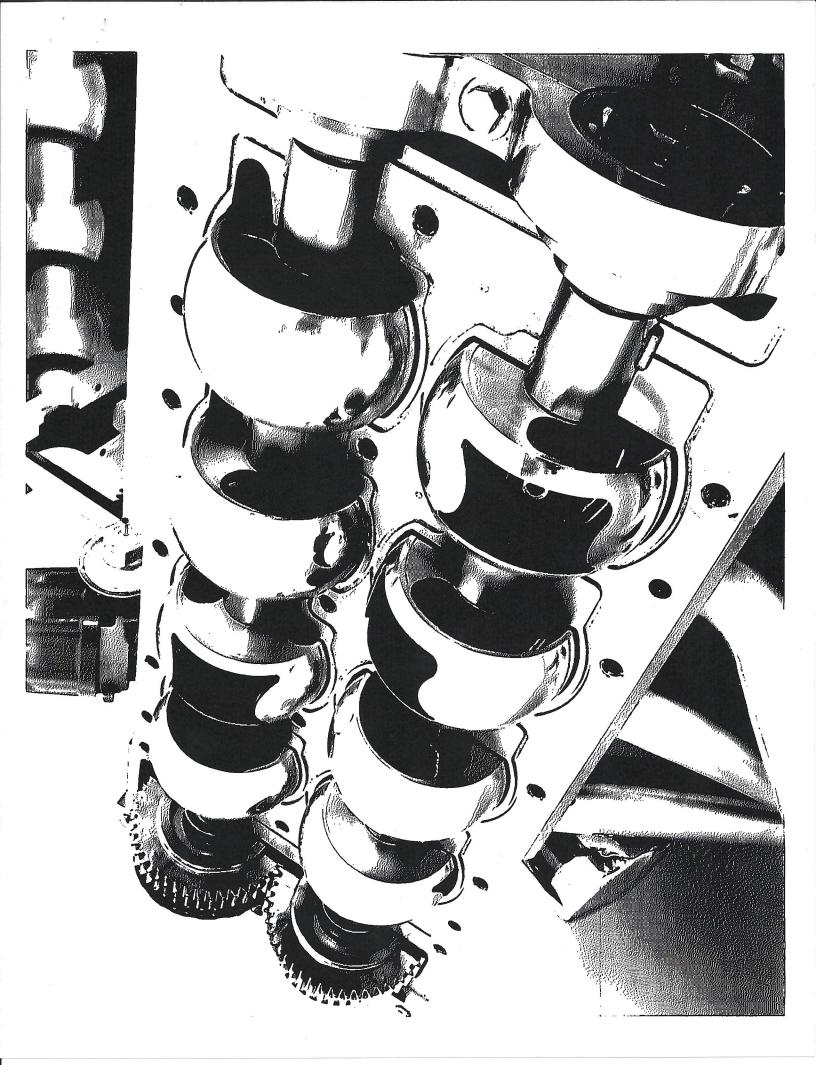
- U.S. Patent 4,944,261, issued July 31, 1990, "Spherical Rotary Valve Assembly for and Internal Combustion Engine".
- U.S. Patent 4,953,257, issued September 4, 1990, "Spherical Rotary Valve Assembly for an Internal Combustion Engine".
- U.S. Patent 4,976,232, issued December 1, 1990, "Valve Seal for Rotary Valve Engine".
- U.S. Patent 4,989,558, issued February 5, 1991, "Spherical Rotary Valve Assembly for an Internal Combustion Engine".
- U.S. Patent 4,989,558, issued February 5, 1991, "Internal Combustion Engine".
- U.S. Patent 5,109, 814, issued May 5, 1992, "Spherical Valve".
- U.S. Patent 5,361,739, issued November 8, 1994, "Spherical Rotary Valve Assembly for use in Rotary Valve Internal Combustion Engine".
- U.S. Patent 5,048,979, issued September 17, 1991, "Self-Adjusting Bearing".
- U.S. Patent 5,601,405, issued February 11, 1997, "Valve Apparatus for Steam Turbines".
- U.S. Patent 6,293,098B1, issued September 25,2001, "Exhaust System".
- U.S. Patent 6,308,676B1, issued October 30, 2001, "Cooling System".
- U.S. Patent 6,666,568B2, issued December 23, 2003, "Valve Seal for Rotary Engine".
- U.S. Patent 6,668,785B1, issued December 30, 2003, "Piston Head for Internal Combustion Engine".

Additional applications are being filed with respect to new technology not evidenced in the present prototypes.

Coates also has patents issued or pending in Japan, Australia, Brazil, Taiwan, Korea, Canada, South Africa and the European Patent Community.

EXHIBIT B





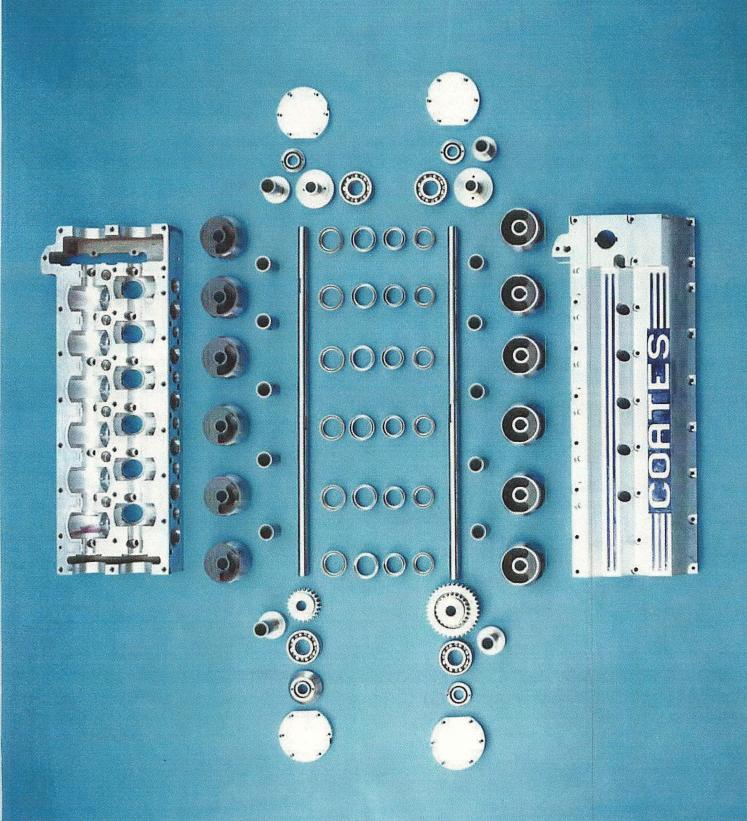
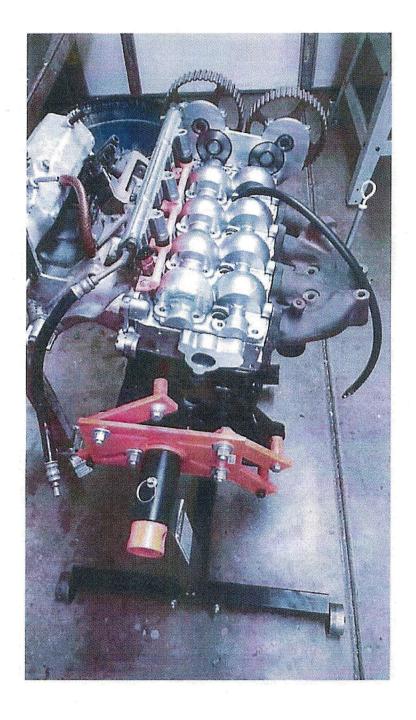


EXHIBIT C





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Chronological

LC Brandon Proffitt almost there.



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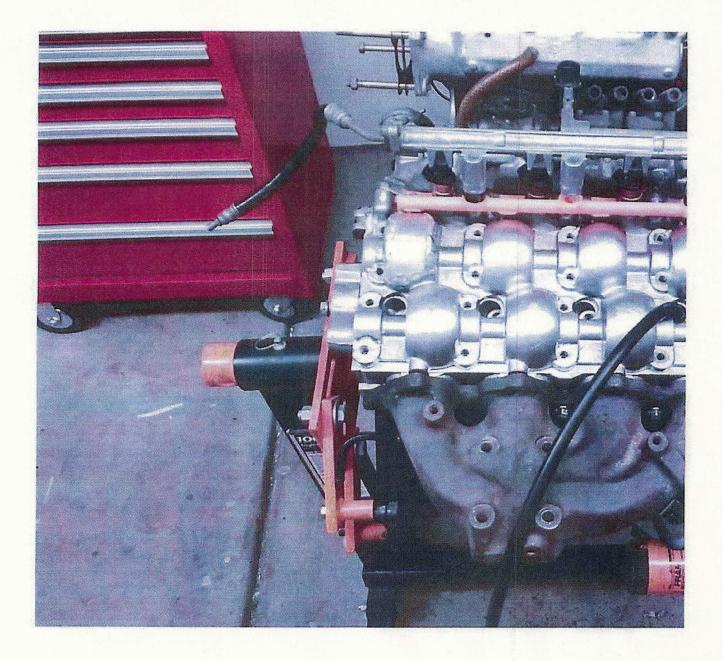
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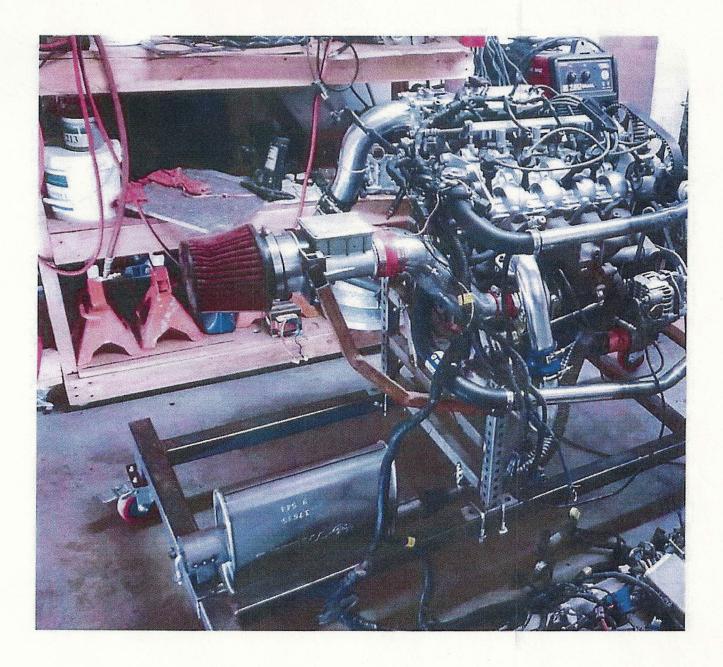


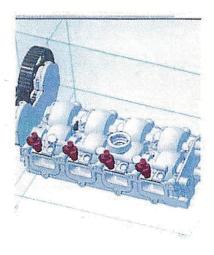
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Mike Kuttschrutter and R









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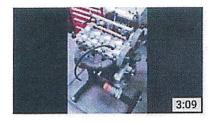
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