

**Excellent Coatings Inc.**

August 10, 2006

Rebecca Stewart  
Compliance Assurance Unit  
California Regional Water Quality Control Board  
9174 Sky Park Court Suite #100  
San Diego, CA 92123

RE: CA:10-0019114.02:Rstewart

Dear Ms. Stewart,

We are in receipt of your letter of August 1<sup>st</sup> 2006. Due to my own health issues, I will like to request a continuance in the hearing of the appeal of the complaint number R9-2006-0077 until the next available date.

In addition, I am attaching the additional information you have requested. Let me start by explaining that I have been an absentee owner for the five year period that ended on 12/31/2005. Due to financial losses at Excellent Coatings Inc. in both 2004 and 2005, I have become active again in the company over the last six months. Let me assure you that over my time spent in the company has been without compensation and are coming in addition to a full time commitment in other ventures, which our for the most part in community and non-profit organizations.

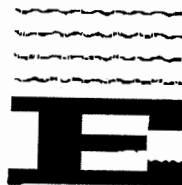
In the 2004 and 2005 Excellent Coatings has tried to upgrade and to integrate our computer technology system. In the process we have suffered from total loss of financial and non-financial data. Trying to patch and bring the system back together had almost caused a total demise of the company.

As to the personnel issues:

1. Since our payroll is processed by outside service I am enclosing the copies of our 941 form for the first quarter of 2005 and the 2nd quarter of 2006. As you can see the number of employees went from 10 in 2005 to 7 in 2006.
2. At this point the company does not have a formal organization chart due to the fact that we are running in a survival mode until we can become financially stable again. At this point I am responsible for the environmental compliance.
3. Both Joel Stegen and Molly Weaver have left the company in 2004 and 2005. At different times both of work on environmental compliance. Gwynn Stegen has covered the area in their absence, but currently Gwynn is focused on sales and marketing.
4. At this point I rather not share publicly my employees personal hardships.

As to the financial Hardship:

The easiest way to demonstrate the financial hardship of the company is to provide the current status of bank account and credit lines and that included my personal home equity lines that I have maximized and lend to Excellent Coatings, Inc. in order to sustain the

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As to the financial Hardship:

The easiest way to demonstrate the financial hardship of the company is to provide the current status of bank account and credit lines and that included my personal home equity lines that I have maximized and lend to Excellent Coatings, Inc. in order to sustain the company financial position. Enclosed is the account payable schedule aging that can demonstrate the company inability to pay the vendors on timely basis. Also, enclosed are the income statements for 2004 and 2005 as well as year to date for 2006 that reflect the financial losses for those periods.

Under penalties of perjury, I declare that this financial information submitted by me as responsible officer of Excellent Coatings, Inc. is a true, correct, and complete statement of all the organization income and assets, real and personal, whether held in the company name or otherwise to the best of my knowledge and belief. I further understand that I will be subject to prosecution by the United States Government to the fullest extent possible under the law should I provide any information that is not true, correct, and complete to the best of my knowledge.

Upon review of this information I will like to ask the board to waive the civil liability complaint. I will like to stressed that once again that in lieu of the administrative non-compliance of the regulation, Excellent Coatings has demonstrated not just it's intention to comply with substance of the regulations, but a true desire to protect the environment.

Thank you for your consideration in advance.

Sincerely,

Gil Lackritz, President, CFO, Storm Water Coordinator  
Excellent Coatings, Inc.