



August 13, 2010

To all our customers

I am publishing this statement in order to refute the statements made by Cliff Electronic Components, Ltd. (Cliff UK), which were written under the heading 'Counterfeit Jack Socket Alert'. The issue of whether the parts we manufacture and distribute can qualify as 'genuine' has been called into question by this so called alert. I hope you find the following comments helpful in dispelling Cliff UK's claim.

Please be aware that the Cliff name originated in 1964 when Mr. Derek Souch and Mr. Albert (Monty) Montague opened the original Cliff factory under the name Cliff Plastic Products located in Telscombe Cliffs, East Sussex, England. This company eventually changed their name to Cliff Group in 2003. Cliff Electronic Components, Ltd. (Cliff UK) was set-up in September 1977 for the purpose of distributing the Cliff factory's products. This manufacturer / distributor relationship remained in effect for many years until the nature of both company's business changed. Because of pricing pressure, the factory sought a way to produce their products in China on two separate occasions, which I have described below.

- The first attempt was to be a joint venture between the factory, Cliff UK and another partner in China. Because of disagreements over the ownership percentages, the Cliff factory backed out of the deal. Despite this fact, a new company was formed and remains the sole ownership of Cliff UK and their partner in China.

Given the location of this factory and Cliff UK's practice to stamp 'CLIFF UK' on parts produced in this factory, it may be that the world marketplace is confused as to the origin of these products.

- The factory's second attempt took place in 2007, when they partnered with Cliff USA and Cliff Hong Kong, who were already jointly producing a small range of products in China. This newly expanded production line, which now included the full range of jack sockets, is also up and running today, however the Cliff factory no longer participates as they were forced into liquidation in 2009. The intent of this production line was to benefit the Cliff factory in the UK, Cliff USA and Cliff Hong Kong.

With regard to these two production lines being set-up, hopefully you can see that there is little difference in the 'why' and the 'how'. The one exception being that Cliff USA and Cliff Hong Kong's products have received the endorsement of Mr. Souch, a founding member of the Cliff factory. To this extent, I hope you can see why we are very comfortable calling our products 'genuine'.

I hope that this letter clarifies the current situation, and we will continue to defend our right to produce and distribute these products.

Sincerely,

Andy Brunt
President

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