



The Public Utilities Commission of Ohio

12-1797-EL-AGG

45

PUCO USE ONLY		
Date Received	Case Number	Version
	- EL-AGG	August 2004

CERTIFICATION APPLICATION FOR AGGREGATORS/POWER BROKERS

Please print or type all required information. Identify all attachments with an exhibit label and title (Example: Exhibit A-5 Experience). All attachments should bear the legal name of the Applicant. Applicants should file completed applications and all related correspondence with the Public Utilities Commission of Ohio, Docketing Division; 180 East Broad Street, Columbus, Ohio 43215-3793.

This PDF form is designed so that you may input information directly onto the form.
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RECEIVED-DOCKETING DIV

2012 JUN 11 PM 3:00

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A. APPLICANT INFORMATION

A-1 Applicant's legal name, address, telephone number and web site address

Legal Name Capital Energy Inc

Address 125 Maiden Lane, Suite 3C, New York, NY 10038

Telephone # (888) 580-5808

Web site address (if any) www.capitalenergyservices.com

A-2 List name, address, telephone number and web site address under which Applicant will do business in Ohio

Legal Name Capital Energy Inc

Address 125 Maiden Lane, Suite 3C, New York, NY 10038

Telephone # (888) 580-5808

Web site address (if any) www.capitalenergyservices.com

A-3 List all names under which the applicant does business in North America

Capital Energy

Capital Energy Services

A-4 Contact person for regulatory or emergency matters

Name Caleb Berger

Title President

This is to certify that the images appearing are an accurate and complete reproduction of a case file document delivered in the regular course of business.

Technician

Date Processed

JUN 11 2012

Business address 125 Maiden Lane, Suite 3C, New York, NY 10038
Telephone # (888) 580-5808 Fax # (888) 351-2122
E-mail address (if any) caleb.berger@capitalenergy.net

A-5 Contact person for Commission Staff use in investigating customer complaints

Name Caleb Berger
Title President
Business address 125 Maiden Lane, Suite 3C, New York, NY 10038
Telephone # (888) 580-5808 Fax # (888) 351-2122
E-mail address (if any) caleb.berger@capitalenergy.net

A-6 Applicant's address and toll-free number for customer service and complaints

Customer Service address 125 Maiden Lane, Suite 3C, New York, NY 10038
Toll-free Telephone # (888) 580-5808 Fax # (888) 351-2122
E-mail address (if any) customerservice@capitalenergy.net

A-7 Applicant's federal employer identification number # 273352192

A-8 Applicant's form of ownership (check one)

- | | |
|--|--|
| <input type="checkbox"/> Sole Proprietorship | <input type="checkbox"/> Partnership |
| <input type="checkbox"/> Limited Liability Partnership (LLP) | <input type="checkbox"/> Limited Liability Company (LLC) |
| <input type="checkbox"/> Corporation | <input type="checkbox"/> Other _____ |

A-9 (Check all that apply) Identify each electric distribution utility certified territory in which the applicant intends to provide service, including identification of each customer class that the applicant intends to serve, for example, residential, small commercial, mercantile commercial, and industrial. (A mercantile customer, as defined in (A) (19) of Section 4928.01 of the Revised Code, is a commercial customer who consumes more than 700,000 kWh/year or is part of a national account in one or more states).

- | | | | | |
|--|--------------------------------------|--|--|--|
| <input checked="" type="checkbox"/> First Energy | | | | |
| <input checked="" type="checkbox"/> Ohio Edison | <input type="checkbox"/> Residential | <input checked="" type="checkbox"/> Commercial | <input checked="" type="checkbox"/> Mercantile | <input checked="" type="checkbox"/> Industrial |
| <input checked="" type="checkbox"/> Toledo Edison | <input type="checkbox"/> Residential | <input checked="" type="checkbox"/> Commercial | <input checked="" type="checkbox"/> Mercantile | <input checked="" type="checkbox"/> Industrial |
| <input checked="" type="checkbox"/> Cleveland Electric Illuminating | <input type="checkbox"/> Residential | <input checked="" type="checkbox"/> Commercial | <input checked="" type="checkbox"/> Mercantile | <input checked="" type="checkbox"/> Industrial |
| <input checked="" type="checkbox"/> Cincinnati Gas & Electric | <input type="checkbox"/> Residential | <input checked="" type="checkbox"/> Commercial | <input checked="" type="checkbox"/> Mercantile | <input checked="" type="checkbox"/> Industrial |
| <input checked="" type="checkbox"/> Monongahela Power | <input type="checkbox"/> Residential | <input checked="" type="checkbox"/> Commercial | <input checked="" type="checkbox"/> Mercantile | <input checked="" type="checkbox"/> Industrial |
| <input checked="" type="checkbox"/> American Electric Power | | | | |
| <input checked="" type="checkbox"/> Ohio Power | <input type="checkbox"/> Residential | <input checked="" type="checkbox"/> Commercial | <input checked="" type="checkbox"/> Mercantile | <input checked="" type="checkbox"/> Industrial |
| <input checked="" type="checkbox"/> Columbus Southern Power | <input type="checkbox"/> Residential | <input checked="" type="checkbox"/> Commercial | <input checked="" type="checkbox"/> Mercantile | <input checked="" type="checkbox"/> Industrial |
| <input checked="" type="checkbox"/> Dayton Power and Light | <input type="checkbox"/> Residential | <input checked="" type="checkbox"/> Commercial | <input checked="" type="checkbox"/> Mercantile | <input checked="" type="checkbox"/> Industrial |

- A-10** Provide the approximate start date that the applicant proposes to begin delivering services

June 15, 2012

PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED:

- A-11** **Exhibit A-11 "Principal Officers, Directors & Partners"** provide the names, titles, addresses and telephone numbers of the applicant's principal officers, directors, partners, or other similar officials.
- A-12** **Exhibit A-12 "Corporate Structure,"** provide a description of the applicant's corporate structure, including a graphical depiction of such structure, and a list of all affiliate and subsidiary companies that supply retail or wholesale electricity or natural gas to customers and companies that aggregate customers in North America.
- A-13** **Exhibit A-13 "Company History,"** provide a concise description of the applicant's company history and principal business interests.
- A-14** **Exhibit A-14 "Articles of Incorporation and Bylaws,"** if applicable, provide the articles of incorporation filed with the state or jurisdiction in which the Applicant is incorporated and any amendments thereto.
- A-15** **Exhibit A-15 "Secretary of State,"** provide evidence that the applicant has registered with the Ohio Secretary of the State.

B. APPLICANT MANAGERIAL CAPABILITY AND EXPERIENCE

PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED:

- B-1** **Exhibit B-1 "Jurisdictions of Operation,"** provide a list of all jurisdictions in which the applicant or any affiliated interest of the applicant is, at the date of filing the application, certified, licensed, registered, or otherwise authorized to provide retail or wholesale electric services including aggregation services.
- B-2** **Exhibit B-2 "Experience & Plans,"** provide a description of the applicant's experience and plan for contracting with customers, providing contracted services, providing billing statements, and responding to customer inquiries and complaints in accordance with Commission rules adopted pursuant to Section 4928.10 of the Revised Code.

B-3 **Exhibit B-3 "Summary of Experience,"** provide a concise summary of the applicant's experience in providing aggregation service(s) including contracting with customers to combine electric load and representing customers in the purchase of retail electric services. (e.g. number and types of customers served, utility service areas, amount of load, etc.).

B-4 **Exhibit B-4 "Disclosure of Liabilities and Investigations,"** provide a description of all existing, pending or past rulings, judgments, contingent liabilities, revocation of authority, regulatory investigations, or any other matter that could adversely impact the applicant's financial or operational status or ability to provide the services it is seeking to be certified to provide.

B-5 Disclose whether the applicant, a predecessor of the applicant, or any principal officer of the applicant have ever been convicted or held liable for fraud or for violation of any consumer protection or antitrust laws within the past five years.

☒ No ☐ Yes

If yes, provide a separate attachment labeled as **Exhibit B-5 "Disclosure of Consumer Protection Violations"** detailing such violation(s) and providing all relevant documents.

B-6 Disclose whether the applicant or a predecessor of the applicant has had any certification, license, or application to provide retail or wholesale electric service including aggregation service denied, curtailed, suspended, revoked, or cancelled within the past two years.

☒ No ☐ Yes

If yes, provide a separate attachment labeled as **Exhibit B-6 "Disclosure of Certification Denial, Curtailment, Suspension, or Revocation"** detailing such action(s) and providing all relevant documents.

C. APPLICANT FINANCIAL CAPABILITY AND EXPERIENCE

PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED:

C-1 **Exhibit C-1 "Annual Reports,"** provide the two most recent Annual Reports to Shareholders. If applicant does not have annual reports, the applicant should provide similar information in Exhibit C-1 or indicate that Exhibit C-1 is not applicable and why.

C-2 **Exhibit C-2 "SEC Filings,"** provide the most recent 10-K/8-K Filings with the SEC. If applicant does not have such filings, it may submit those of its parent company. If the applicant does not have such filings, then the applicant may indicate in Exhibit C-2 that the applicant is not required to file with the SEC and why.

- C-3 Exhibit C-3 “Financial Statements,”** provide copies of the applicant’s two most recent years of audited financial statements (balance sheet, income statement, and cash flow statement). If audited financial statements are not available, provide officer certified financial statements. If the applicant has not been in business long enough to satisfy this requirement, it shall file audited or officer certified financial statements covering the life of the business.
- C-4 Exhibit C-4 “Financial Arrangements,”** provide copies of the applicant's financial arrangements to conduct CRES as a business activity (e.g., guarantees, bank commitments, contractual arrangements, credit agreements, etc.).
- C-5 Exhibit C-5 “Forecasted Financial Statements,”** provide two years of forecasted financial statements (balance sheet, income statement, and cash flow statement) for the applicant’s CRES operation, along with a list of assumptions, and the name, address, e-mail address, and telephone number of the preparer.
- C-6 Exhibit C-6 “Credit Rating,”** provide a statement disclosing the applicant’s credit rating as reported by two of the following organizations: Duff & Phelps, Dun and Bradstreet Information Services, Fitch IBCA, Moody’s Investors Service, Standard & Poors, or a similar organization. In instances where an applicant does not have its own credit ratings, it may substitute the credit ratings of a parent or affiliate organization, provided the applicant submits a statement signed by a principal officer of the applicant’s parent or affiliate organization that guarantees the obligations of the applicant.
- C-7 Exhibit C-7 “Credit Report,”** provide a copy of the applicant’s credit report from Experion, Dun and Bradstreet or a similar organization.
- C-8 Exhibit C-8 “Bankruptcy Information,”** provide a list and description of any reorganizations, protection from creditors or any other form of bankruptcy filings made by the applicant, a parent or affiliate organization that guarantees the obligations of the applicant or any officer of the applicant in the current year or within the two most recent years preceding the application.

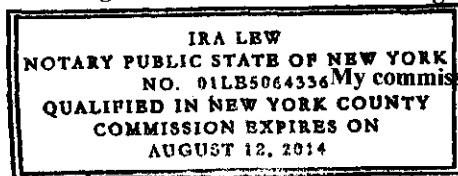
C-9 **Exhibit C-9 "Merger Information,"** provide a statement describing any dissolution or merger or acquisition of the applicant within the five most recent years preceding the application.

Al Ben President
Signature of Applicant & Title

Sworn and subscribed before me this 7 day of June, 2012
Month Year

Ira Lew
Signature of official administering oath

IRA LEW NOTARY PUBLIC
Print Name and Title



My commission expires on

8/12/14

AFFIDAVIT

State of NEW YORK

County of NEW YORK

____ ss.
(Town)

Caleb Berger, Affiant, being duly sworn/affirmed according to law, deposes and says that:

He/She is the President (Office of Affiant) of Capital Energy Inc. (Name of Applicant);

That he/she is authorized to and does make this affidavit for said Applicant,

1. The Applicant herein, attests under penalty of false statement that all statements made in the application for certification are true and complete and that it will amend its application while the application is pending if any substantial changes occur regarding the information provided in the application.
2. The Applicant herein, attests it will timely file an annual report with the Public Utilities Commission of Ohio of its intrastate gross receipts, gross earnings, and sales of kilowatt-hours of electricity pursuant to Division (A) of Section 4905.10, Division (A) of Section 4911.18, and Division (F) of Section 4928.06 of the Revised Code.
3. The Applicant herein, attests that it will timely pay any assessments made pursuant to Sections 4905.10, 4911.18, or Division F of Section 4928.06 of the Revised Code.
4. The Applicant herein, attests that it will comply with all Public Utilities Commission of Ohio rules or orders as adopted pursuant to Chapter 4928 of the Revised Code.
5. The Applicant herein, attests that it will cooperate fully with the Public Utilities Commission of Ohio, and its Staff on any utility matter including the investigation of any consumer complaint regarding any service offered or provided by the Applicant.
6. The Applicant herein, attests that it will fully comply with Section 4928.09 of the Revised Code regarding consent to the jurisdiction of Ohio Courts and the service of process.
7. The Applicant herein, attests that it will comply with all state and/or federal rules and regulations concerning consumer protection, the environment, and advertising/promotions.
8. The Applicant herein, attests that it will use its best efforts to verify that any entity with whom it has a contractual relationship to purchase power is in compliance with all applicable licensing requirements of the Federal Energy Regulatory Commission and the Public Utilities Commission of Ohio.
9. The Applicant herein, attests that it will cooperate fully with the Public Utilities Commission of Ohio, the electric distribution companies, the regional transmission entities, and other electric suppliers in the event of an emergency condition that may jeopardize the safety and reliability of the electric service in accordance with the emergency plans and other procedures as may be determined appropriate by the Commission.
10. If applicable to the service(s) the Applicant will provide, the Applicant herein, attests that it will adhere to the reliability standards of (1) the North American Electric Reliability Council (NERC), (2) the appropriate regional reliability council(s), and (3) the Public Utilities Commission of Ohio. (Only applicable if pertains to the services the Applicant is offering)

11. The Applicant herein, attests that it will inform the Commission of any material change to the information supplied in the application within 30 days of such material change, including any change in contact person for regulatory purposes or contact person for Staff use in investigating customer complaints.

That the facts above set forth are true and correct to the best of his/her knowledge, information, and belief and that he/she expects said Applicant to be able to prove the same at any hearing hereof.

Chen President
Signature of Affiant & Title

Sworn and subscribed before me this 7 day of June, 2012
Month Year

Ira Lew
Signature of official administering oath

IRA LEW NOTARY PUBLIC
Print Name and Title

My commission expires on 8/12/14

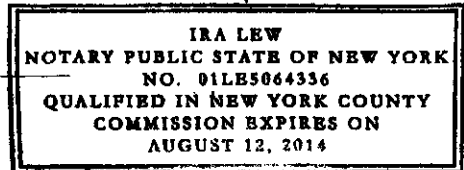


Exhibit A-11 "Principal Officers, Directors & Partners"

Caleb Berger
President
125 Maiden Lane
Suite 3C
New York, NY 10038
917-238-7399
caleb.berger@capitalenergy.net

Caleb Berger is the sole shareholder of Capital Energy. No other officers, directors, or partners exist.

Exhibit A-12 "Corporate Structure"

Capital Energy is a New York corporation that does not have any affiliations or subsidiary companies that supply retail or wholesale electricity or natural gas to customers or companies that aggregate customers in North America.

Exhibit A-13 "Company History"

Capital Energy was formed by Caleb Berger in August 2010 and provides energy consulting services in Illinois, Pennsylvania, and New York. Capital Energy will provide energy consulting, planning, and management services to commercial clients interested in switching energy suppliers. We will be working with potential customers that reside in selected utility areas of Ohio. Our focus will be on medium commercial clients with a demand of 25kW or more. We will be marketing our services to customers that already use Capital Energy in other states throughout the US, as well as new customers. We anticipate on marketing via telephone to a select group of commercial accounts that fit our desired customer class.

Exhibit A-14 "Articles of Incorporation and Bylaws"

Please see attached articles of incorporation following this page. No bylaws exist or are necessary for Capital Energy as it is solely owned and operated by Caleb Berger.

CERTIFICATE OF INCORPORATION

OF

CAPITAL ENERGY INC.

Pursuant to Section 402 of the Business Corporation Law

I, the undersigned, a natural person of at least 18 years of age, for the purpose of forming a corporation under Section 402 of the Business Corporation Law of the State of New York hereby certify:

FIRST: The name of the corporation is:

CAPITAL ENERGY INC.

SECOND: The purpose of the corporation is to engage in any lawful act or activity for which corporations may be organized under Article IV of the Business Corporation Law, except that it is not formed to engage in any act or activity requiring the consent or approval of any state official, department, board, agency or other body without such consent or approval first being obtained.

THIRD: The office of the corporation is to be located in the County of **KINGS**, State of New York.

FOURTH: The aggregate number of shares which the corporation shall have the authority to issue is **TWO HUNDRED**, each of which shall be common stock with no par value.

FIFTH: The Secretary of State is designated as agent of the corporation upon whom process against it may be served. The post office address to which the Secretary of State shall mail a copy of any process against the corporation served upon him is:

**J. MELLER
3084 BEDFORD AVENUE
BROOKLYN, NY 11210-3714**

SIXTH: No director of the corporation shall have personal liability to the corporation or to its shareholders for damages for any breach of duty in such capacity, provided, however, that the provision shall not eliminate or limit:

(a) the liability of any director of the corporation if a judgment or other final adjudication adverse to him establishes that his acts or omissions were in bad faith or involved intentional misconduct or a knowing violation of law or that he personally gained in fact a financial profit or other advantage to which he was not legally entitled or, with respect to any director of the corporation, that his acts violated Section 719 of the Business Corporation Law of the State of New York, or

(b) the liability of a director for any act or omission prior to the final adoption of this article.

SEVENTH: The holders of any of the corporation's equity shares shall be entitled to preemptive rights in accordance with the provisions of BCL section 622.

IN WITNESS WHEREOF, the undersigned incorporator has executed this certificate of incorporation.

8/27/10



Sharon Babala, Incorporator
BlumbergExcelsior Corporate
Services, Inc.
52 South Pearl Street
Albany, New York 12207

Certificate of Incorporation

of

CAPITAL ENERGY INC.

Pursuant to Section 402 of the Business Corporation Law

**BLU-39
DRAW DOWN**

Filed By:
BlumbergExcelsior Corporate Services, Inc.
52 South Pearl Street, 2nd Floor
Albany, NY 12207

Exhibit A-15 "Secretary of State"

See attached certificate of good standing provided by the Ohio Secretary of State.

201211500964

DATE:	DOCUMENT ID	DESCRIPTION	FILING	EXPED	PENALTY	CERT	COPY
04/25/2012	201211500964	FOREIGN LICENSE/FOR-PROFIT (FLF)	125.00	100.00	.00	.00	.00

Receipt

This is not a bill. Please do not remit payment.

INFOTAXSQUARE.COM
76 N BROADWAY, STE 2005
HICKSVILLE, NY 11801

**STATE OF OHIO
CERTIFICATE**

Ohio Secretary of State, Jon Husted

2101569

It is hereby certified that the Secretary of State of Ohio has custody of the business records for

CAPITAL ENERGY SERVICES (CAPITAL ENERGY INC.)

and, that said business records show the filing and recording of:

Document(s)

Document No(s):

FOREIGN LICENSE/FOR-PROFIT

201211500964

Authorization to transact business in Ohio is hereby given, until surrender, expiration or cancellation of this license.



United States of America
State of Ohio
Office of the Secretary of State

Witness my hand and the seal of the
Secretary of State at Columbus, Ohio
this 24th day of April, A.D. 2012.

Jon Husted

Ohio Secretary of State

Exhibit B-1 “Jurisdictions of Operation”

Capital Energy is licensed to provide energy consulting services in the following states:

Illinois (#10-0583)

Pennsylvania (#A-2010-2209014)

Exhibit B-2 "Experience & Plans"

Capital Energy is currently working with many different suppliers in different jurisdictions. Capital Energy does not take title to the power and provides solely consulting, brokering, and energy planning services. Capital Energy works with around 8-10 different energy suppliers to contract power for specific customers. We have enrolled around 500 commercial accounts with competitive electric suppliers.

The contracts that are signed by the customer are from the supplier directly and not Capital. All contracted services and billing statements come directly from the specific supplier chosen by the customer. Customer inquiries, questions, concerns or complaints are handled from our office or by the supplier, depending on which route the customer takes. All contact information is provided to the customer upon completion of a signed contract, if not before as well.

Exhibit B-3 "Summary of Experience"

Capital Energy is not currently providing any aggregation services. Capital's principal business interests are the sale of electricity to single location users.

Exhibit B-4 "Disclosure of Liabilities and Investigations"

Capital Energy does not have any judgments, liabilities, or rulings that are pending, nor have there been any in the past.

Exhibit C-1 “Annual Reports”

Capital Energy does not provide Annual reports, as it is a privately held company.

Exhibit C-2 “SEC Filings”

Capital Energy is not required to file with the SEC.

Exhibit C-3 “Financial Statements”

Capital Energy is owner managed. The financial statements are not audited, but are reviewed by its outside accountant. The owner Caleb Berger certifies the following financial statements are accurate.

CAPITAL ENERGY INC.
FINANCIAL STATEMENTS
SEVEN MONTHS ENDED APRIL 30, 2012

Jacob Meller
PUBLIC ACCOUNTANT
3084 Bedford Avenue
Brooklyn, N.Y. 11210
(718) 258-9060 – Fax (718) 258-5767
Jacobmel@optonline.net

To the Board of Directors
Capital Energy Inc.

I have reviewed the accompanying balance sheet of Capital Energy Inc. as of April 30, 2012, and the related statements of income and retained earnings and cash flows for the seven months then ended in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Capital Energy Inc.

A review consists principally of inquiries of company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit made in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, I do not express such an opinion.

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

May 15, 2012



CAPITAL ENERGY INC.

BALANCE SHEET

APRIL 30, 2012

ASSETS

Current assets

Cash	\$ 61,663
Equipment, net of accumulated depreciation	30,783
Investment, securities	10,000
Security deposits	<u>8,974</u>
	<u>\$111,420</u>

LIABILITIES AND SHAREHOLDER'S EQUITY

Current liabilities

Accrued expenses and taxes	\$ <u>28,709</u>
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Shareholder's equity

Common stock, no par value, 200 shares authorized; 10 shares issued and outstanding	40,000
Retained earnings	<u>42,711</u>
Total shareholder's equity	<u>82,711</u>

\$111,420

See accountant's review report.

CAPITAL ENERGY INC.
STATEMENT OF INCOME AND RETAINED EARNINGS
SEVEN MONTHS ENDED APRIL 30, 2012

Net revenue	\$270,351
General and administrative expenses	<u>227,848</u>
Income before income taxes	42,503
Income taxes	<u>12,161</u>
Net income	30,342
Retained earnings, beginning of period	<u>12,369</u>
Retained earnings, end of period	<u>\$ 42,711</u>

See accountant's review report.

CAPITAL ENERGY INC.
STATEMENT OF CASH FLOWS
SEVEN MONTHS ENDED APRIL 30, 2012

Operating activities

Net income	\$ 30,342.
Adjustments to reconcile net income to net cash provided by operating activities	
Depreciation	5,597.
Changes in operating assets and liabilities	
Accrued expenses and taxes	<u>20,274.</u>
Net cash provided by operating activities	<u>56,213.</u>

Investing activities

Purchase securities	(10,000)
Security deposits	<u>(6,334)</u>
Net cash used by investing activities	<u>(16,334)</u>

Net increase in cash	39,879.
Cash, beginning of period	21,784.
Cash, end of period	<u>\$61,663.</u>

See accountant's review report.

CAPITAL ENERGY INC.
FINANCIAL STATEMENTS
SIX MONTHS ENDED MARCH 31, 2011

Jacob Meller
PUBLIC ACCOUNTANT
3084 Bedford Avenue
Brooklyn, N.Y. 11210
(718) 258-9060 – Fax (718) 258-5767
Jacobmel@optonline.net

To the Board of Directors
Capital Energy Inc.

I have reviewed the accompanying balance sheet of Capital Energy Inc. as of March 31, 2011, and the related statements of income and retained earnings and cash flows for the six months then ended in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Capital Energy Inc.

A review consists principally of inquiries of company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit made in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, I do not express such an opinion.

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

May 18, 2011



CAPITAL ENERGY INC.

BALANCE SHEET

MARCH 31, 2011

ASSETS

Current assets

Cash	\$ 6,897
Equipment, net of accumulated depreciation	37,778
Security deposits	<u>2,640</u>
	<u>\$ 47,315</u>

LIABILITIES AND SHAREHOLDER'S EQUITY

Current liabilities

Accrued expenses and taxes	\$ <u>3,340</u>
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Shareholder's equity

Common stock, no par value, 200 shares authorized; 10 shares issued and outstanding	40,000
Retained earnings	<u>3,975</u>
Total shareholder's equity	<u>43,975</u>

\$ 47,315

See accountant's review report.

CAPITAL ENERGY INC.
STATEMENT OF INCOME AND RETAINED EARNINGS
SIX MONTHS ENDED MARCH 31, 2011

Net revenue	\$ 74,723
General and administrative expenses	<u>69,205</u>
Income before income taxes	5,518
Income taxes	<u>1,543</u>
Net income, transferred to retained earnings	<u>\$ 3,975</u>

See accountant's review report.

CAPITAL ENERGY INC.
STATEMENT OF CASH FLOWS
SIX MONTHS ENDED MARCH 31, 2011

Operating activities

Net income	\$ 3,975.
Adjustments to reconcile net income to net cash provided by operating activities	
Depreciation	1,400.
Changes in operating assets and liabilities	
Accrued expenses and taxes	<u>3,340.</u>
Net cash provided by operating activities	<u>8,715.</u>

Investing activities

Purchase equipment	(39,178)
Security deposits	<u>(2,640)</u>
Net cash used by investing activities	<u>(41,818)</u>

Financing activities

Additional common stock	<u>40,000.</u>
Net cash provided by financing activities	<u>40,000.</u>
Net increase in cash	<u>6,897.</u>
Cash, end of year	<u>\$ 6,897.</u>

See accountant's review report.

CAPITAL ENERGY INC.
FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2011

Jacob Meller
PUBLIC ACCOUNTANT
3084 Bedford Avenue
Brooklyn, N.Y. 11210
(718) 258-9060 – Fax (718) 258-5767
Jacobmel@optonline.net

To the Board of Directors
Capital Energy Inc.

I have reviewed the accompanying balance sheet of Capital Energy Inc. as of September 30, 2011, and the related statements of income and retained earnings and cash flows for the year then ended in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Capital Energy Inc.

A review consists principally of inquiries of company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit made in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, I do not express such an opinion.

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

December 13, 2011



CAPITAL ENERGY INC.

BALANCE SHEET

SEPTEMBER 30, 2011

ASSETS

Current assets

Cash	\$ 21,784
Equipment, net of accumulated depreciation	36,380
Security deposits	<u>2,640</u>
	<u>\$ 60,804</u>

LIABILITIES AND SHAREHOLDER'S EQUITY

Current liabilities

Accrued expenses and taxes	\$ <u>8,435</u>
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Shareholder's equity

Common stock, no par value, 200 shares authorized; 10 shares issued and outstanding	40,000
--	--------

Retained earnings	<u>12,369</u>
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Total shareholder's equity	<u>52,369</u>
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\$ 60,804

See accountant's review report.

CAPITAL ENERGY INC.
STATEMENT OF INCOME AND RETAINED EARNINGS
YEAR ENDED SEPTEMBER 30, 2011

Net revenue	\$266,439
General and administrative expenses	<u>249,268</u>
Income before income taxes	17,171
Income taxes	<u>4,802</u>
Net income, transferred to retained earnings	<u>\$ 12,369</u>

See accountant's review report.

CAPITAL ENERGY INC.
STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2011

Operating activities

Net income	\$ 12,369.
Adjustments to reconcile net income to net cash provided by operating activities	
Depreciation	2,798.
Changes in operating assets and liabilities	
Accrued expenses and taxes	<u>8,435.</u>
Net cash provided by operating activities	<u>23,602.</u>

Investing activities

Purchase equipment	(39,178)
Security deposits	<u>(2,640)</u>
Net cash used by investing activities	<u>(41,818)</u>

Financing activities

Additional common stock	<u>40,000.</u>
Net cash provided by financing activities	<u>40,000.</u>

Net increase in cash	<u>21,784.</u>
Cash, end of year	<u>\$21,784.</u>

See accountant's review report.

Exhibit C-4 “Financial Arrangements”

Capital Energy's application is for a Broker/aggregator and will not be conducting business as a CRES. Capital Energy does not possess any debt and does not require any outside loans to operate.

Exhibit C-5 “Forecasted Financial Statements”

Capital Energy’s application is for a Broker/aggregator and will not be conducting business as a CRES.

Exhibit C-6 “Credit Rating”

Capital Energy is a start-up company, therefore no credit rating exists from any of the mentioned organizations.

Exhibit C-7 “Credit Report”

Capital Energy is a start-up company, therefore no credit reports exist from any of the mentioned organizations.

Exhibit C-8 “Bankruptcy Information”

Capital Energy has not been through any kind of reorganization nor has it ever filed for bankruptcy protection.

Exhibit C-9 “Merger Information”

Capital Energy has not gone through any type of dissolution, merger, or acquisition.