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April 7, 2016

**VIA UNITED STATES POSTAL SERVICE**  
**PRIORITY MAIL**

Public Utilities Commission of Ohio  
Docketing Division  
180 East Broad Street  
Columbus, Ohio 43215-3793

**RE:   *Black Hawk Resources Limited***  
***Public Utilities Commission of Ohio Case No. 12-1311-EL-AGG***

Dear Sir or Madam:

Enclosed please find the original and four (4) copies of Black Hawk Resources Limited's Renewal Application for Electric Aggregators/Bower Brokers in the above referenced matter. Please return one time-stamped copy of the Renewal Application to me in the self-addressed, stamped envelope I have enclosed.

Should you have any questions regarding this filing please do not hesitate to contact myself or Scott Stewart at (216) 452-9165.

Sincerely,

*Ellen R Dubiel*

Ellen Dubiel

Enclosures

PUCO

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**Ohio****Public Utilities  
Commission**

Original AGG Case Number	Version
12 - 1311 -EL-AGG	December 2014

**RENEWAL APPLICATION FOR ELECTRIC AGGREGATORS/POWER BROKERS**

Please print or type all required information. Identify all attachments with an exhibit label and title (Example: Exhibit A-10 Corporate Structure). 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.  
You may also download the form, by saving it to your local disk, for later use.**

**A. RENEWAL INFORMATION****A-1 Applicant's legal name, address, telephone number, PUCO certificate number, and web site address**

Legal Name Black Hawk Resources Limited  
 Address 1455 W 29th Street, Cleveland, OH 44113  
 PUCO Certificate # and Date Certified 12-520E (2) May 24, 2014  
 Telephone # (216) 452-9165 Web site address (if any) www.blackhawkrisk.com

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

Legal Name Black Hawk Resources Limited  
 Address 1455 W 29th Street  
 Telephone # (216) 452-9165 Web site address (if any) www.blackhawkrisk.com

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

Black Hawk Resources Limited  
 \_\_\_\_\_  
 \_\_\_\_\_

**A-4 Contact person for regulatory or emergency matters**

Name Scott Stewart  
 Title CEO  
 Business address 1455 W 29th Street, Cleveland, OH 44113  
 Telephone # (216) 452-9165 Fax # (216) 282-3777  
 E-mail address scott.stewart@blackhawkrisk.com

PUCO

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

Name Scott Stewart  
Title CEO  
Business address 1455 W 29th Street, Cleveland, OH 44113  
Telephone # (216) 452-9165 Fax # (216) 282-3777  
E-mail address scott.stewart@blackhawkrisk.com

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

Customer Service address 1455 W 29th Street, Cleveland, OH 44113  
Toll-free Telephone # \_\_\_\_\_ Fax # (216) 282-3777  
E-mail address scott.stewart@blackhawkrisk.com

**A-7 Applicant's federal employer identification number # 27-1091950**

**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 checked="" type="checkbox"/> Limited Liability Company (LLC) |
| <input type="checkbox"/> Corporation                         | <input type="checkbox"/> Other _____                                |

**PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED:**

- A-9 Exhibit A-9 "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-10 Exhibit A-10 "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.

**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 "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-4** 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-4 "Disclosure of Consumer Protection Violations"** detailing such violation(s) and providing all relevant documents.

**B-5** 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-5 "Disclosure of Certification Denial, Curtailment, Suspension, or Revocation"** detailing such action(s) and providing all relevant documents.

## **C. 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.

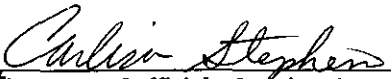
**C-3** **Exhibit C-3 "Financial Statements,"** provide copies of the applicant's two most recent years of audited financial statements (balance sheet, income statement, and cash flow statement). If audited financial statements are not available, provide officer certified financial statements. If the 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 Experian, 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.

  
Signature of Applicant & Title Scott A. Stewart, CEO

Sworn and subscribed before me this 4 day of April, 2016  
Month Year



  
Signature of official administering oath  
CARLISA STEPHENS, Notary Public  
STATE OF OHIO  
My Commission Expires June 2, 2018

Carlisa Stephens, Relationship Banker  
Print Name and Title

My commission expires on June 2, 2018

# **AFFIDAVIT**

State of Ohio :

Cleveland ss.  
(Town)

County of Cuyahoga :

Scott A. Stewart, Affiant, being duly sworn/affirmed according to law, deposes and says that:

He/She is the CEO (Office of Affiant) of Black Hawk Renewable (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 renewal 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 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.
8. 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.
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 renewal 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.

*Scott A. Stewart* Scott A. Stewart, CEO  
Signature of Affiant & Title

Sworn and subscribed before me this 4 day of April, 2016  
Month Year



*Carlisa Stephens*  
Signature of official administering oath

Carlisa Stephens, Relationship Banker  
Print Name and Title

CARLISA STEPHENS, Notary Public  
STATE OF OHIO  
My Commission Expires June 2, 2018

My commission expires on June 2, 2018

# **Supplemental Attachment to Electric Brokers/Aggregators Renewal**

**Black Hawk Resources Limited**

## **A. Renewal Information**

### **A-9: Principal Officers, Directors & Partners**

*Provide the names, titles, addresses and telephone numbers of the applicant's principal officers, directors, partners or other similar officials.*

Scott A. Stewart, CEO/Director and Sole Principal Officer  
1455 W 29<sup>th</sup> Street, Cleveland, OH 44113  
(216) 452-9165 ext. 100  
(203) 273-1408

### **A-10: 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.*

- Black Hawk Resources Limited is an Ohio limited liability company.
- No affiliate or subsidiary companies exist

## **B. Applicant Managerial Capability and Experience**

### **B-1 Jurisdictions of Operation**

*Provide a current 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 natural gas service, or retail/wholesale electric services.*

As of this filing, Black Hawk is registered only in the state of Ohio.

### **B-2 Experience & Plans**

*Provide a current 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.*

Black Hawk Resources contracts with customers to provide consulting services. Under the consulting services, Black Hawk provides energy services and reviews commodity invoices and responds on behalf of our customers with inquiries and complaints, creating familiarity with this process.

### **B-3 Disclosure of Liabilities and Investigations**

*Provide a description of all existing, pending or past rulings, judgements, contingent liabilities, revocations 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.*

Not applicable to Black Hawk Resources Limited.

### **B-4**

*Disclose whether the applicant, affiliate, predecessor of the applicant, or any principal officer of the applicant has been convicted or held liable for fraud or for violation of any consumer protection or antitrust laws within the last five years.*

☒ No

☐ Yes

### **B-5**

*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

## **Section-C Financial Capability & Experience**

### **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, labeled as Exhibit C-1, or indicate that Exhibit C-1 is not applicable and why.*

- None available as Black Hawk is a privately held company. Please see Exhibit C-3 for financial information.

### **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 whether the applicant is not required to file with the SEC and why.*

- Black Hawk does not file with SEC as it is a privately held company.

### **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.*

- Please see Supplemental Attachments section of this packet for documents.

### **C-4 Financial Arrangements**

*Provide copies of the applicant's current financial arrangements to conduct competitive retail natural gas service (CRNGS) as a business activity (e.g., guarantees, bank commitments, contractual arrangements, credit agreements, etc.*

- Not applicable as Black Hawk is a broker and not taking the title to the power.

### **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, email address, and telephone number of the preparer.*

- Please see Supplemental Attachments section of this packet for documents.

### **C-6 Credit Rating**

*Provide a statement disclosing the applicant's current 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.*

- Please see Supplemental Attachments section of this packet for documents.

**C-7 Credit Report**

*Provide a copy of the applicant's current credit report from Experian, Dun and Bradstreet, or a similar organization.*

- Please see Supplemental Attachments section of this packet for documents.

**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 since applicant last filed for certification.*

- Not applicable to Black Hawk Resources Limited.

**C-9 Merger Information**

*Provide a statement describing and dissolution or merger or acquisition of the applicant since applicant last filed for certification.*

- Not applicable to Black Hawk Resources Limited.

# **Supplemental Attachments**

Black Hawk Resources Limited

# **Exhibit C-3:**

# **Financial Statements**

Black Hawk Resources Limited



March 14, 2016

To Whom It May Concern at PUCO:

I, Scott Stewart, Principle and CEO of Black Hawk Resource Limited, certify that the attached 2014 and 2015 financial statements are true and accurate to the best of my knowledge. The financial statements have been independently audited by accounting firm Zion, Synek & Associates.

Sincerely,

Scott A. Stewart, CEO

**BLACK HAWK RESOURCES LTD.**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2015 AND 2014**

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## INDEPENDENT AUDITOR'S REPORT

The Member  
Black Hawk Resources Ltd.

We have audited the accompanying financial statements of Black Hawk Resources Ltd. (the Company), which comprise the balance sheets as of December 31, 2015 and 2014, and the related statements of income and retained earnings and cash flows for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Black Hawk Resources Ltd. as of December 31, 2015 and 2014, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Zion, Synek & Associates*

February 23, 2016

**BLACK HAWK RESOURCES LTD.  
BALANCE SHEETS  
DECEMBER 31, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 26,002	\$ 1,022
Accounts Receivable	66,401	66,405
Investments	162,512	80,271
Other	9,352	-
<b>TOTAL CURRENT ASSETS</b>	<u>264,267</u>	<u>147,698</u>
<b>PROPERTY AND EQUIPMENT</b>		
Furniture and Fixtures	20,694	20,694
Computer Equipment	14,637	9,979
	<u>35,331</u>	<u>30,673</u>
Accumulated Depreciation	(13,308)	(9,196)
	<u>22,023</u>	<u>21,477</u>
<b>OTHER ASSETS</b>	<u>940</u>	<u>950</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 287,230</u></u>	<u><u>\$ 170,125</u></u>
<b>LIABILITIES AND MEMBER'S EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 13,706	\$ 22,245
Deferred Revenue	15,000	15,000
Accrued Expenses	4,226	26,171
<b>TOTAL CURRENT LIABILITIES</b>	<u>32,932</u>	<u>63,416</u>
<b>MEMBER'S EQUITY</b>		
Retained Earnings	<u>254,298</u>	<u>106,709</u>
<b>TOTAL LIABILITIES AND MEMBER'S EQUITY</b>	<u><u>\$ 287,230</u></u>	<u><u>\$ 170,125</u></u>

See accompanying notes.

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**BLACK HAWK RESOURCES LTD.**  
**STATEMENTS OF INCOME AND RETAINED EARNINGS**  
**YEARS ENDED DECEMBER 31, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
<b>REVENUE</b>	\$ 549,815	\$ 551,155
<b>OPERATING EXPENSES</b>		
Accounting	16,511	8,592
Advertising and Promotion	5,541	8,990
Bank Charges	963	1,217
Business Development	9,233	27,800
Depreciation and Amortization	4,112	12,900
Donations	7,450	5,763
Dues and Subscriptions	6,164	2,601
Employee Benefits	8,156	7,361
Insurance	1,046	778
Legal and Professional Fees	11,207	6,877
Meals and Entertainment	6,878	10,631
Office Expense	7,541	1,537
Payroll Taxes	10,803	4,715
Rent	15,540	15,820
Salaries and Wages	132,734	61,152
Taxes and Licenses	6,931	5,640
Telephone	5,280	4,278
Trading Fees	3,626	717
Travel	60,959	47,888
Total Operating Expenses	<u>320,675</u>	<u>235,257</u>
<b>INCOME FROM OPERATIONS</b>	<u>229,140</u>	<u>315,898</u>
<b>OTHER INCOME (EXPENSE)</b>		
Interest Expense	(431)	(556)
Gain from Investments	97,867	13,632
	<u>97,436</u>	<u>13,076</u>
<b>NET INCOME</b>	<u>326,576</u>	<u>328,974</u>
RETAINED EARNINGS (DEFICIT) AT BEGINNING OF YEAR	106,709	(10,182)
Member Distributions	<u>(178,987)</u>	<u>(212,083)</u>
<b>RETAINED EARNINGS AT END OF YEAR</b>	<u>\$ 254,298</u>	<u>\$ 106,709</u>

See accompanying notes

- 3 -

**Exhibit C-3 - Financial  
Statements**

**BLACK HAWK RESOURCES LTD.  
STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Income	\$ 326,576	\$ 328,974
Adjustments to Reconcile Net Income to Net Cash Flows		
From Operating Activities:		
Depreciation and Amortization	4,112	12,900
Gain from Investments	(97,867)	(13,632)
(Increase) Decrease in Assets:		
Accounts Receivable	4	(49,712)
Other Assets	(9,342)	(10)
Increase (Decrease) in Liabilities:		
Accounts Payable	(8,539)	(21,304)
Deferred Revenue	-	8,000
Accrued Expenses	(21,945)	23,195
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<u>192,999</u>	<u>288,411</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital Expenditures	(4,658)	(6,920)
Purchases of Investments	(30,000)	(82,704)
Proceeds from Redemptions of Investments	45,626	16,065
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<u>10,968</u>	<u>(73,559)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Member Distributions	(178,987)	(212,083)
Principal Payments on Notes Payable	-	(6,200)
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	<u>(178,987)</u>	<u>(218,283)</u>
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	<u>24,980</u>	<u>(3,431)</u>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>1,022</u>	<u>4,453</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u><u>\$ 26,002</u></u>	<u><u>\$ 1,022</u></u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash Paid for Interest	\$ 431	\$ 556
Cash Paid for City Income Taxes	11,356	-

See accompanying notes.

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**BLACK HAWK RESOURCES LTD.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**General**

Black Hawk Resources Ltd. (the Company) is an Ohio limited liability company that began operations in 2009. The Company is a privately held commodity advising, brokering, and trading company. The Company is also a Commodity Trading Advisor and Introducing Broker registered with the Commodity Futures Trading Commission (CFTC), as well as a member of the National Futures Association (NFA).

**Basis of Accounting**

The Company uses the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues are recognized when earned and expenses are recorded when incurred regardless of the timing of related cash flows.

**Cash and Cash Equivalents**

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

**Accounts Receivable**

The Company extends credit to clients in the ordinary course of business. Management closely monitors outstanding accounts receivable and charges off to expense all amounts that are determined to be uncollectible. The Company considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required.

**Investments**

In the normal course of business, the Company utilizes derivative financial instruments in connection with its investing activities. Investments in derivative contracts are subject to additional risks that can result in a loss of all or part of an investment. The Company's derivative activities and exposure to contracts involve risks related to credit, commodity price and equity price risks. In addition, the Company is also subject to additional counterparty risk should any counterparties fail to meet the terms of their contracts.

The Company records its derivative activities at fair value. Gains and losses from derivative financial instruments are included in gain from investments in the accompanying statement of income and retained earnings.

**Property and Equipment**

Property and equipment is recorded at cost. Expenditures for maintenance and repairs are charged directly to operations as incurred; additions and betterments are capitalized. Costs of assets sold or retired and the related amounts of accumulated depreciation are removed from the accounts in the year of disposal. Any resulting gain or loss is reflected in current operations. Depreciation is provided for over the estimated useful lives of the respective assets on the straight-line method over the following estimated useful lives:

Furniture and Fixtures	5 - 10 years
Computer Equipment	3 years

**BLACK HAWK RESOURCES LTD.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014**

**Income Taxes**

The Company is treated as an S corporation for federal income tax purposes. As such, the Company is not liable for any federal or state income taxes, nor is it entitled to any tax benefit resulting from operating losses. Each member has the responsibility to include its share of taxable income, or to deduct its share of the Company's losses, in its individual income tax returns. Taxable income is determined using the cash basis.

**Members' Equity**

In accordance with Ohio law governing limited liability companies, members have limited liability for Company obligations.

**Advertising Costs**

Advertising and promotion costs are expensed as incurred.

**Use of Estimates**

The preparation of financial statements in accordance with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts and disclosures reported therein. Actual results could differ from those estimates.

**Concentration of Credit Risk**

The Company's cash balances may, at times, exceed the limits of related federal deposit insurance. The Company has not experienced any losses on such accounts and believes it is not exposed to any significant credit risk on cash.

**Fair Value of Financial Instruments**

The carrying amounts of cash and cash equivalents, accounts receivable, accounts payable, deferred revenue, and accrued expenses approximates their fair value because of the short maturity of those financial instruments.

**NOTE 2 – INVESTMENTS**

**Derivative Investments**

The Company may enter into futures contracts to speculate on the price movements of the commodity underlying the contract. A futures contract represents a commitment for the future purchase or sale of an asset at a specified price on a specified date.

The purchase and sales of futures contracts requires margin deposits with a Futures Commission Merchant (FCM). Subsequent payments (variation margin) are made or received by the Company depending on the fluctuations in the value of the contract, and are recorded for financial statement purposes as investment gains or losses.

The Commodity Exchange Act requires an FCM to segregate all customer transactions and assets from the FCM's proprietary activities. A customer's cash and other equity deposited with an FCM are considered commingled with all other customer funds subject to the FCM's segregation requirements. In the event of an FCM's insolvency, recovery may be limited to the Company's pro rata share of segregated customer funds available. It is possible that the recovery amount could be less than the total cash and other equity deposited.

**BLACK HAWK RESOURCES LTD.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014**

The volume of the Company's derivative activities based on their notional amounts and number of contracts are as follows for the year ended December 31:

	<u>Notional Amount</u>	<u>Number of Contracts</u>
Commodity Price Futures Contracts		
2015	\$ 23,341,000	389
2014	\$ 6,023,543	45

The following table identifies the fair value amounts of derivative instruments included in the balance sheet.

	<u>Derivative Assets</u>	<u>Derivative Liabilities</u>
Commodity Price Futures Contracts		
December 31, 2015	\$ 162,512	\$ -
December 31, 2014	\$ 80,871	\$ -

**Fair Value of Investments**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date.

A fair value hierarchy for inputs is used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs are to be used when available. Observable inputs are those that market participants would use in pricing the asset based on market data obtained from sources independent of the Company. Unobservable inputs reflect the Company's assumption about the inputs market participants would use in pricing the asset developed based on the best information available in the circumstances.

The fair value hierarchy is categorized into three levels based on the inputs as follows:

**Level 1** – Valuations are based on unadjusted quoted prices in active markets for identical assets as of the reporting date.

**Level 2** – Valuations are based on inputs other than quoted prices included in Level 1 that are observable, either directly or indirectly.

**Level 3** – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

**BLACK HAWK RESOURCES LTD.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014**

The following table summarizes the inputs used to value the Company's assets measured at fair value for the years ended December 31:

	<u>2015</u>	<u>2014</u>
<b><u>Valuation Inputs</u></b>		
Level 1 - Quoted prices	\$ 162,512	\$ 80,271
Level 2 - Other significant observable inputs	-	-
Level 3 - Significant unobservable inputs	-	-
Total Investments at Fair Value	<u>\$ 162,512</u>	<u>\$ 80,271</u>

**NOTE 3 – CONCENTRATIONS**

Revenue from two clients accounted for 83% of total Company revenue for the year ended December 31, 2015. Accounts receivable from these clients accounted for 79% of total accounts receivable as of December 31, 2015.

Revenue from two clients accounted for 66% of total Company revenue for the year ended December 31, 2014. Accounts receivable from these clients accounted for 76% of total accounts receivable as of December 31, 2014.

**NOTE 4 – LEASES**

The Company leases its office in Cleveland, Ohio from an unrelated third party. This lease is accounted for an operating lease. Rent expense was \$15,540 in 2015 and \$15,820 in 2014. The following is a schedule of future minimum lease payments for the year ending December 31:

2016	\$ 13,200
2017	2,200

**NOTE 5 – INCOME TAXES**

The Company evaluates its tax positions in accordance with ASC Topic 740, *Income Taxes*, which establishes how uncertain tax positions should be recognized, measured, presented and disclosed in the financial statements. ASC Topic 740 requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Company's tax returns to determine whether the tax positions are more likely than not of being accepted by the applicable tax authority. Management has evaluated the Company's tax positions and has concluded that there were no material uncertain tax positions requiring recognition, measurement or disclosure in the financial statements.

The Company's federal income tax returns for years after 2011 are subject to examination by the IRS, generally for a three year period from the date the return was filed.

**BLACK HAWK RESOURCES LTD.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014**

**NOTE 6 – SUBSEQUENT EVENTS**

In preparing these financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through February 23, 2016, the date the financial statements were available to be issued.

# **Exhibit C-5: Forecasted Financial Statements**

Black Hawk Resources Limited

**Black Hawk Resources Limited**  
(Forecast Financials 2016-2017)

<b>2016 Forecast Financials</b>	(In \$ '000's)
Forecasted Revenues	\$435
Forecasted Expenses	\$235
Forecasted Net Income	\$200

<b>2017 Forecast Financials</b>	(In \$ '000's)
Forecasted Revenues	\$457
Forecasted Expenses	\$245
Forecasted Net Income	\$212

Assumptions: Assume business continues to operate at current capacity with new clients

# **Exhibit C-6: Credit Rating**

**Black Hawk Resources Limited**

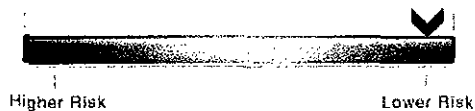
# BLACK HAWK RESOURCES LIMITED

DUNS: 96-897-7806

## Credit Information

### Risk Summary

#### Risk of Late Payment



Risk of late payment is based on the following prioritized factors in addition to other information in D&B's files:

- Limited time under present management control
- Higher risk industry based on delinquency rates for this industry

Indications of slowness can be the result of disputes over merchandise, skipped invoices, etc.

#### Payment Performance Trend



The payment performance trend for this company is Unchanged. Payment Trend currently is Unchanged compared to payments three months ago. The most recent payment information in D&B's files is:

- Payments currently: generally within terms
- Payments 3 months ago: GENERALLY WITHIN terms
- Industry average: GENERALLY WITHIN terms

\*Note: Payments to suppliers are averaged weighted by dollar amounts.

### Credit Limit Recommendation

Recommendation Date: 03/14/2016

Risk Category

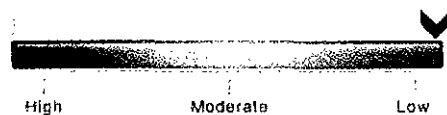
**Low**

Conservative Credit Limit

**\$2.5K**

Aggressive Credit Limit

**\$10K**



### Company Profile

Chief Executive: NA

Type of Business:

NA

Years in Business:

NA

Annual Sales:

215794

Employees Total:

1

Line of Business:

Management consulting services

commodity contract broker

Page 4 of 4

Exhibit  
C-6 Credit  
Rating

CASE NO.  
12-1311-EL-  
AGG

### Legal Filings and Other Important Information

Bankruptcies:

None

Negative Payment Experience:

None

Judgements:

0

Negative Payment Experience

None

<b>Liens:</b>	0	<b>Amount:</b>	
<b>Suits:</b>	None	<b>Payments Placed for Collection:</b>	0
<b>Suits/Judgments/Liens Amounts:</b>	None		

The public record items reported may have been paid, terminated, vacated or released prior to the date this data is transmitted. Accounts are sometimes placed for collection even though the existence or amount of the debt is disputed.

## Special Events

10/13/2014

A Rating change has occurred on this company.

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## Payment Trends

### Summary

**Address:**  
1455 W 29th St  
Cleveland, OH 44113

**Primary Industry SIC:**  
8742

**D-U-N-S Number:**  
96-897-7806

**Description:**  
Management consulting services,  
commodity contract broker

This is a **single** location.

### Payment Activity

<b>Total payment Experiences in D&amp;Bs File:</b>	5
<b>Payments Within Terms:</b> (not dollar weighted)	100%
<b>Total Placed For Collection:</b>	NA
<b>Average Highest Credit:</b>	\$125
<b>Largest High Credit:</b>	\$250
<b>Highest Now Owing:</b>	\$50
<b>Highest Past Due:</b>	\$0

Indications of slowness can be the result of dispute over merchandise, skipped invoices, etc. Accounts

Page 4 of 4

**Exhibit C-6**  
**Credit**  
**Rating**

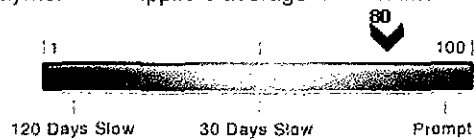
**CASE NO.**  
**12-1311-EL-**  
**AGG**

## PAYDEX®

### 3 Month PAYDEX®

# 80

When weighted by dollar amount,  
payments to suppliers average ON TERMS terms.

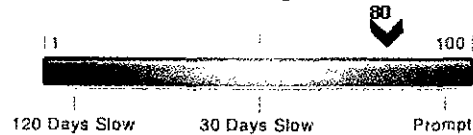


Based on payments collected over the last 3 months

### 24 Month PAYDEX®

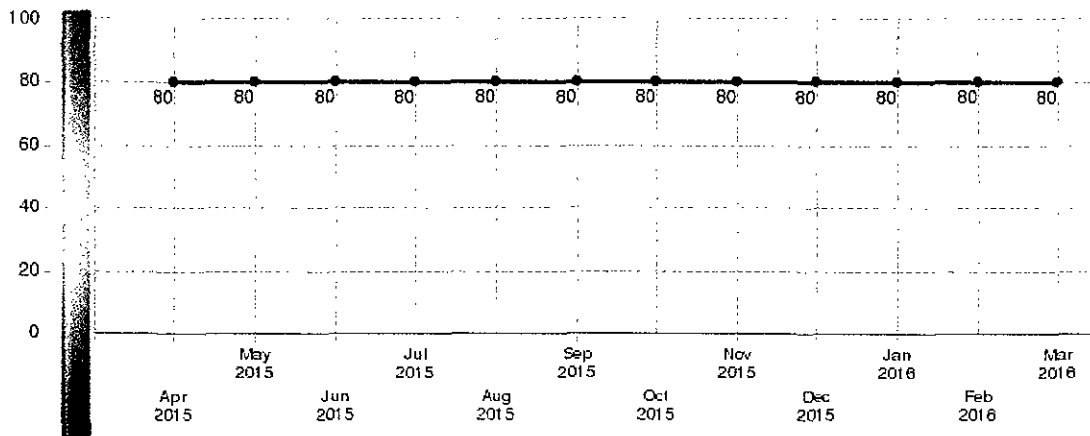
# 80 ▲

When weighted by dollar amount,  
payments to suppliers average ON TERMS terms.



Based on payments collected over the last 24 months

### PAYDEX® Trends - This Company, 12 Months



#### This Company (80)

Based on payments collected over the last 12 months.

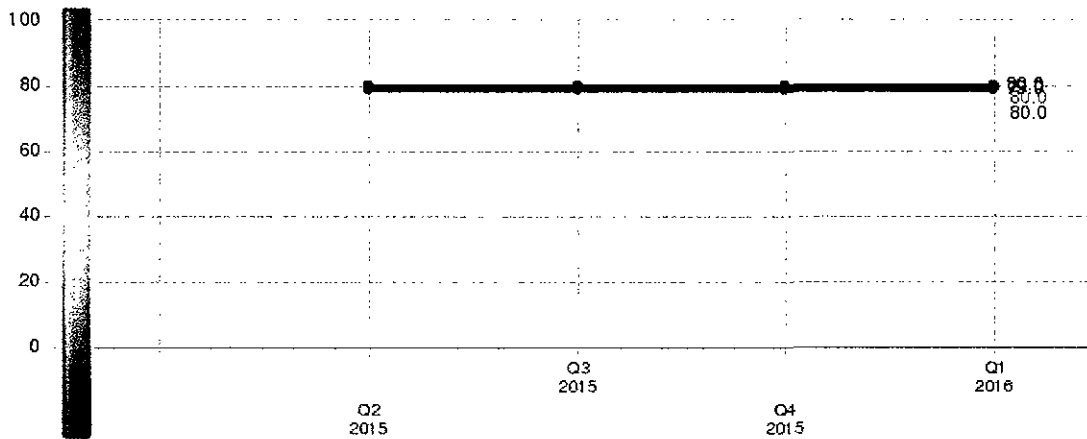
- Current PAYDEX® for this Business is 80 , or equal to ON TERMS terms
- The 12-month high is 80 , or equal to GENERALLY WITHIN terms
- The 12-month low is 80 , or equal to GENERALLY WITHIN terms

### PAYDEX® Score Comparison - This Company to Primary Industry Comparison, 4 Quarters

Page 4 of 4

Exhibit C-6  
Credit  
Rating

CASE NO.  
12-1311-EL-  
AGG



- My Company (80)
- Industry Median (80)
- Industry Upper Quartile (80)
- Industry Median (79)

Based on payments collected over the last 4 quarters.

- Current PAYDEX® for this Business is 80, or equal to generally within terms
- Current PAYDEX® for this Business is 80, or equal to GENERALLY WITHIN terms
- Industry upper quartile represents the performance of the payers in the 75th percentile
- Industry lower quartile represents the performance of the payers in the 25th percentile

#### Business Payment Habit by Amount of Credit Extended, 24 Months ⓘ

\$ Credit Extended	% of Payments Within Terms	# Payment Experiences	Total \$ Dollar Amount
Over 100,000	0%	0	\$0
50,000-100,000	0%	0	\$0
15,000-49,999	0%	0	\$0
5,000-14,999	0%	0	\$0
1,000-4,999	0%	0	\$0
under 1,000	100%	4	\$500

#### How to Read the D&B PAYDEX® Score ⓘ

Score	Payment Habit	Risk Interpretation
100 - 90	Days sooner than terms	80 - 100 LOW risk of late payment (averages prompt to 30 days within terms)
80 - 70	Due date (on terms)	50 - 79 MEDIUM risk of late payment (averages 30 or less beyond terms)
60 - 20	Days beyond terms	0 - 49 HIGH risk of late payment (averages 30 to 120 days beyond terms)
UN	Unavailable	

# **Exhibit C-7: Credit Report**

**Black Hawk Resources Limited**

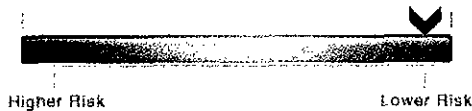
# BLACK HAWK RESOURCES LIMITED

DUNS: 96-897-7806

## Credit Information

### Risk Summary

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- Limited time under present management control
- Higher risk industry based on delinquency rates for this industry

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#### Payment Performance Trend



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- Payments 3 months ago: GENERALLY WITHIN terms
- Industry average: GENERALLY WITHIN terms

\*Note: Payments to suppliers are averaged weighted by dollar amounts.

### Credit Limit Recommendation

Recommendation Date: 03/14/2016

Risk Category

**Low**

Conservative Credit Limit

**\$2.5K**

Aggressive Credit Limit

**\$10K**



### Company Profile

Chief Executive: NA

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NA

Annual Sales:

215794

Employees Total:

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Line of Business:

Management consulting services

commodity contract broker

Page 1 of 4

Exhibit C-7  
Credit  
Report

### Legal Filings and Other Important Information

Bankruptcies:

None

Judgements:

0

Negative Payment Experience:

None

Negative Payment Experience

None

CASE NO.  
12-1311-EL-  
AGG

<b>Liens:</b>	0	<b>Amount:</b>	
<b>Suits:</b>	None	<b>Payments Placed for Collection:</b>	0
<b>Suits/Judgments/Liens Amounts:</b>	None		

The public record items reported may have been paid, terminated, vacated or released prior to the date this data is transmitted. Accounts are sometimes placed for collection even though the existence or amount of the debt is disputed.

## Special Events

**10/13/2014**

A Rating change has occurred on this company.

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## Payment Trends

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<b>Highest Past Due:</b>	\$0

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Page 2 of 4

**Exhibit C-7**  
**Credit**  
**Report**

**CASE NO.**  
**12-1311-EL-**  
**AGG**

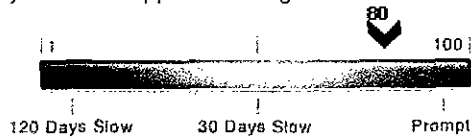
are sometimes placed for collection even though the existence or amount of the debt is disputed.

## PAYDEX®

### 3 Month PAYDEX®

**80**

When weighted by dollar amount,  
payments to suppliers average ON TERMS terms.

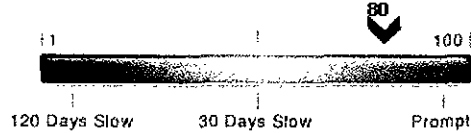


Based on payments collected over the last 3 months

### 24 Month PAYDEX®

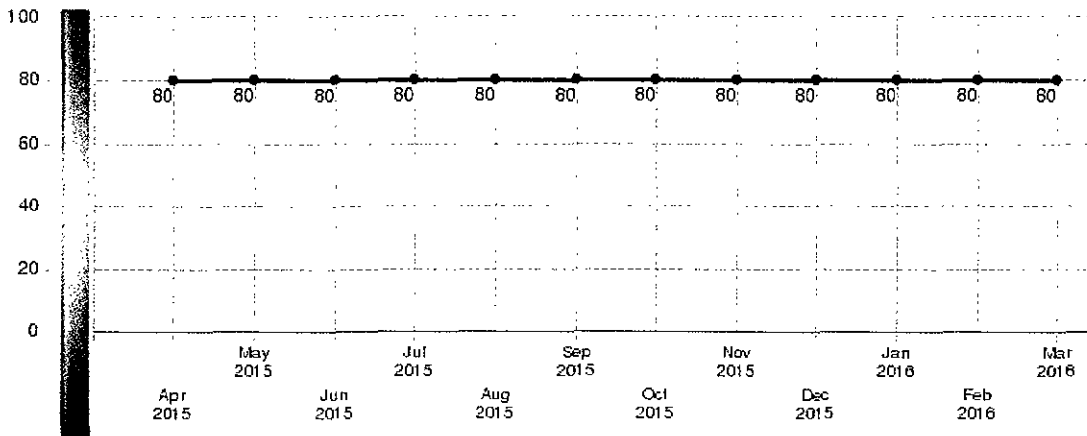
**80 ▲**

When weighted by dollar amount,  
payments to suppliers average ON TERMS terms.



Based on payments collected over the last 24 months

### PAYDEX® Trends - This Company, 12 Months

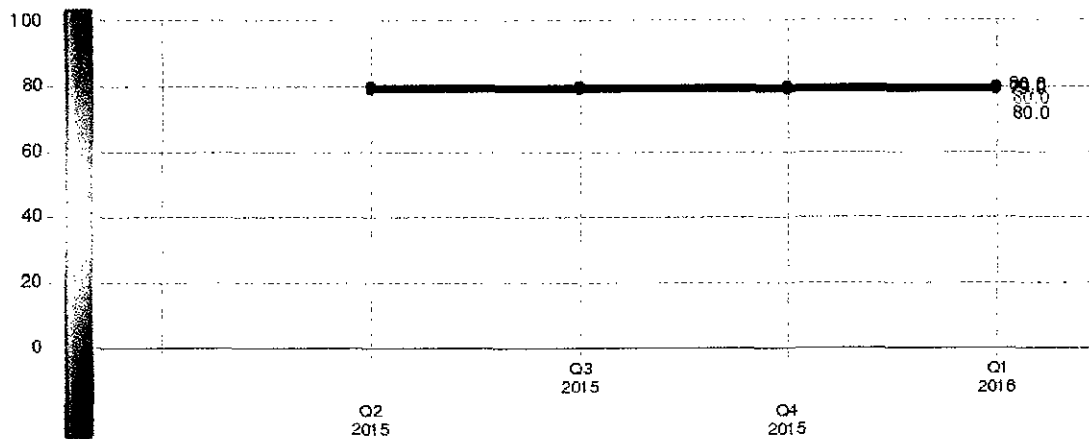


#### This Company (80)

Based on payments collected over the last 12 months.

- Current PAYDEX® for this Business is 80 , or equal to ON TERMS terms
- The 12-month high is 80 , or equal to GENERALLY WITHIN terms
- The 12-month low is 80 , or equal to GENERALLY WITHIN terms

### PAYDEX® Score Comparison - This Company to Primary Industry Comparison, 4 Quarters



- My Company (80)
- Industry Median (80)
- Industry Upper Quartile (80)
- Industry Median (79)

Based on payments collected over the last 4 quarters.

- Current PAYDEX® for this Business is 80, or equal to generally within terms
- Current PAYDEX® for this Business is 80, or equal to GENERALLY WITHIN terms
- Industry upper quartile represents the performance of the payers in the 75th percentile
- Industry lower quartile represents the performance of the payers in the 25th percentile

#### Business Payment Habit by Amount of Credit Extended, 24 Months ⓘ

\$ Credit Extended	% of Payments Within Terms	# Payment Experiences	Total \$ Dollar Amount
Over 100,000	0%	0	\$0
50,000-100,000	0%	0	\$0
15,000-49,999	0%	0	\$0
5,000-14,999	0%	0	\$0
1,000-4,999	0%	0	\$0
under 1,000	100%	4	\$500

#### How to Read the D&B PAYDEX® Score ⓘ

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100 - 30	Days sooner than terms	80 - 100 LOW risk of late payment (averages prompt to 30 days within terms)
90 - 20		
80 - 0 Days	Due date (on terms)	50 - 79 MEDIUM risk of late payment (averages 30 or less beyond terms)
70 - 15		
60 - 22		0 - 49 HIGH risk of late payment (averages 30 to 120 days beyond terms)
50 - 30		
40 - 60	Days beyond terms	
30 - 90		
20 - 120		
UN - Unavailable		