

FILE

Ohio

Public Utilities
Commission

19-1348-EL-AGG

48

PUCO USE ONLY		
Date Received	Case Number	Version
	- EL-AGG	May 2016

INITIAL CERTIFICATION 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-12 Company History). 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.

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A. APPLICANT INFORMATION

A-1 Applicant intends to be certified as: (check all that apply)

☒ Power Broker ☐ Aggregator

A-2 Applicant's legal name, address, telephone number and web site address

Legal Name Utility Management Corporation
Address 210 East Capitol Street, Suite 1100, Jackson, MS 39201
Telephone # (601) 948-2360 Web site address (if any) www.umcsolutions.com

A-3 List name, address, telephone number and web site address under which Applicant will do business in Ohio

Legal Name Utility Management Corporation
Address 210 East Capitol Street, Suite 1100, Jackson, MS 39201
Telephone # (601) 948-2360 Web site address (if any) www.umcsolutions.com

A-4 List all names under which the applicant does business in North America

Utility Management Corporation
Utility Management Corporation of MS
UMC Solutions

A-5 Contact person for regulatory or emergency matters

Name Tony Richard
Title Vice President Financial Services

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 WAT Date Processed 6/21/19



certificate. The applicant may renew its certificate in accordance with Rule 4901:1-24-09 of the Ohio Administrative Code.

CRES (competitive retail electric service) providers shall inform the Commission of any material change to the information supplied in a certification application within thirty days of such material change in accordance with Rule 4901:1-24-10 of the Ohio Administrative Code.

VII. Contractual Arrangements for Capability Standards: If the applicant is relying upon contractual arrangements with a third-party(ies) to meet any of the certification requirements, the applicant must provide with its application all of the following:

- The legal name of the party(ies) it is contracting with;
- A statement that a valid contract exists between the applicant and the third-party(ies);
- A detailed summary of the contract(s) including all services provided thereunder;
- The documentation and evidence to demonstrate the contracting entity's capability to meet the requirements as if the contracting entity was the applicant.

VIII. Questions: Questions regarding filing procedures should be directed to CRES@puc.state.oh.us

IX. Governing Law: The certification/renewal of competitive retail electric suppliers is governed by Chapter 4901:1-24 of the Ohio Administrative Code, Chapter 4901:1-21 of the Ohio Administrative Code, and Section 4928.08 of the Ohio Revised Code.

Business address 210 East Capitol Street, Suite 1100, Jackson, MS 39201

Telephone # (601) 948-2360

Fax # (601) 352-0521

E-mail address trichard@umcsolutions.com

A-6 Contact person for Commission Staff use in investigating customer complaints

Name Steve Hunt

Title Vice President Operations

Business address 210 East Capitol Street, Suite 1100, Jackson, MS 39201

Telephone # (601) 948-2360

Fax # (601) 352-0521

E-mail address shunt@umcsolutions.com

A-7 Applicant's address and toll-free number for customer service and complaints

Customer Service address 210 East Capitol Street, Suite 1100, Jackson, MS 39201

Toll-free Telephone # _____

Fax # (601) 352-0521

E-mail address shunt@umcsolutions.com

A-8 Applicant's federal employer identification number # 731528920

A-9 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-10 (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 type="checkbox"/> First Energy | | | | |
| <input type="checkbox"/> Ohio Edison | <input type="checkbox"/> Residential | <input type="checkbox"/> Commercial | <input type="checkbox"/> Mercantile | <input type="checkbox"/> Industrial |
| <input type="checkbox"/> Toledo Edison | <input type="checkbox"/> Residential | <input type="checkbox"/> Commercial | <input type="checkbox"/> Mercantile | <input type="checkbox"/> Industrial |
| <input type="checkbox"/> Cleveland Electric Illuminating | <input type="checkbox"/> Residential | <input type="checkbox"/> Commercial | <input type="checkbox"/> Mercantile | <input type="checkbox"/> Industrial |
| <input type="checkbox"/> Duke Energy | <input type="checkbox"/> Residential | <input type="checkbox"/> Commercial | <input type="checkbox"/> Mercantile | <input type="checkbox"/> Industrial |
| <input type="checkbox"/> Monongahela Power | <input type="checkbox"/> Residential | <input type="checkbox"/> Commercial | <input type="checkbox"/> Mercantile | <input type="checkbox"/> Industrial |
| <input type="checkbox"/> American Electric Power | | | | |
| <input type="checkbox"/> Ohio Power | <input type="checkbox"/> Residential | <input type="checkbox"/> Commercial | <input type="checkbox"/> Mercantile | <input type="checkbox"/> Industrial |
| <input type="checkbox"/> Columbus Southern Power | <input type="checkbox"/> Residential | <input type="checkbox"/> Commercial | <input type="checkbox"/> Mercantile | <input type="checkbox"/> Industrial |
| <input type="checkbox"/> Dayton Power and Light | <input type="checkbox"/> Residential | <input type="checkbox"/> Commercial | <input type="checkbox"/> Mercantile | <input type="checkbox"/> Industrial |

- A-11 Provide the approximate start date that the applicant proposes to begin delivering services
May 1, 2019

PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED:

- A-12 **Exhibit A-12 "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-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. (This is generally only applicable to publicly traded companies who publish annual reports)

C-2 **Exhibit C-2 "SEC Filings,"** provide the most recent 10-K/8-K Filings with the SEC. If the applicant does not have such filings, it may submit those of its parent company. An applicant may submit a current link to the filings or provide them in paper form. 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. If the applicant does not have a balance sheet, income statement, and cash flow statement, the applicant may provide a copy of its two most recent years of tax returns (with social security numbers and account numbers redacted).

C-4 Exhibit C-4 “Financial Arrangements,” provide copies of the applicant's financial to satisfy collateral requirements to conduct retail electric/gas business activity (e.g., parental or third party guarantees, contractual arrangements, credit agreements, etc.).

Renewal applicants can fulfill the requirements of Exhibit C-4 by providing a current statement from an Ohio local distribution utility (LDU) that shows that the applicant meets the LDU’s collateral requirements.

First time applicants or applicants whose certificate has expired as well as renewal applicants can meet the requirement by one of the following methods:

1. The applicant itself stating that it is investment grade rated by Moody’s, Standard & Poor’s or Fitch and provide evidence of rating from the rating agencies.
2. Have a parent company or third party that is investment grade rated by Moody’s, Standard & Poor’s or Fitch guarantee the financial obligations of the applicant to the LDU(s).
3. Have a parent company or third party that is not investment grade rated by Moody’s, Standard & Poor’s or Fitch but has substantial financial wherewithal in the opinion of the Staff reviewer to guarantee the financial obligations of the applicant to the LDU(s). The guarantor company’s financials must be included in the application if the applicant is relying on this option.
4. Posting a Letter of Credit with the LDU(s) as the beneficiary.

If the applicant is not taking title to the electricity or natural gas, enter “N/A” in Exhibit C-4. An N/A response is only applicable for applicants seeking to be certified as an aggregator or broker.

C-5 Exhibit C-5 “Forecasted Financial Statements,” provide two years of forecasted income statements for the applicant’s **ELECTRIC related business activities in the state of Ohio Only**, along with a list of assumptions, and the name, address, email address, and telephone number of the preparer. The forecasts should be in an annualized format for the two years succeeding the Application year.

- 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. If an applicant or its parent does not have such a credit rating, enter "N/A" in Exhibit C-6.
- 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. An applicant that provides an investment grade credit rating for Exhibit C-6 may enter "N/A" for Exhibit C-7.
- 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 two most recent years preceding the application.
- C-10** **Exhibit C-10 "Corporate Structure,"** provide a description of the applicant's corporate structure, not an internal organizational chart, 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 in North America. If the applicant is a stand-alone entity, then no graphical depiction is required and applicant may respond by stating that they are a stand-alone entity with no affiliate or subsidiary companies.

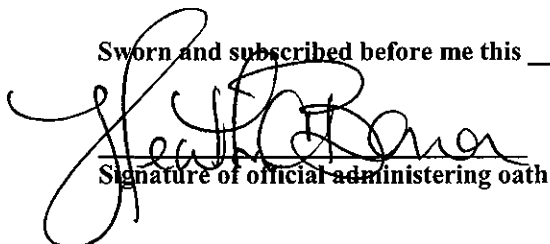


Signature of Applicant & Title

VP-FINANCIAL SERVICES

Sworn and subscribed before me this 19 day of June, 2019

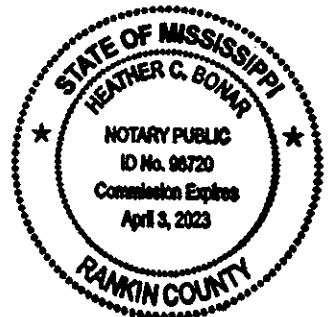
Month Year



Signature of official administering oath

Heather C. Bonar, Notary Public

Print Name and Title



My commission expires on April 3, 2023

AFFIDAVIT

State of MS :

Jackson ss.
(Town)

County of Hinds :

Tony S. Richard

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

He/She is the VP Financial Services (Office of Affiant) of Utility Management Corporation (Name of Applicant);

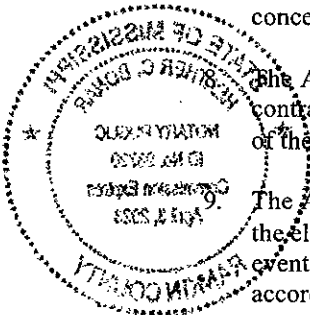
That he/she is authorized to and does make this affidavit for said Applicant,

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.

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.

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.

[Signature] VP FINANCIAL SERVICES
Signature of Affiant & Title

Sworn and subscribed before me this 19th day of June, 2019
Month Year

[Signature]
Signature of official administering oath

Heather C. Bonar, Notary Public
Print Name and Title

My commission expires on April 3, 2023



Exhibit A-12 "Principal Officers, Directors & Partners"

Howard Randolph
President & CEO
210 East Capitol Street, Suite 1100
Jackson, MS 39201
601-948-2360

Randy Graves
CFO
9351 Rocky Valley CV
Cordova, TN 38018
901-634-3800

Tony Richard
Vice President Financial Services
210 East Capitol Street, Suite 1100
Jackson, MS 39201
601-948-2360

Steve Hunt
Vice President Bill Pay Operations
210 East Capitol Street, Suite 1100
Jackson, MS 39201
601-948-2360

Gail Blackburn
Vice President Energy Operations
210 East Capitol Street, Suite 1100
Jackson, MS 39201
601-948-2360

Exhibit A- 13 "Company History"

Utility Management Corporation is an independent energy management firm in Jackson, MS that specializes in working with our clients to help them manage and reduce their utility expenses. UMC has a successful track record for over 30 years of working with commercial, industrial, educational, multi-family, health care and small utilities to manage energy supply risks & rates and to capitalize on the competitive climate of the de-regulated

At UMC, we pride ourselves in being a full-service energy management firm that helps our clients find ways to save on energy costs from a broad spectrum, including tracking their CO2 footprint and acquiring an EnergyStar rating for their building portfolio. As your strategic partner, we recommend energy solutions based on your operations, with no off-the-shelf remedies. We specifically tailor our services to meet your needs and your

State of Mississippi
Office of the Secretary of State
C. Delbert Hosemann, Jr., Secretary of State
Jackson, Mississippi

CERTIFICATE

I, C. DELBERT HOSEMAN, JR., Secretary of State of the State of Mississippi, and as such, the legal custodian of the corporate records, required by the laws of Mississippi, to be filed in my office, do hereby certify:

That on February 6, 2006, the State of Mississippi issued a Charter/Certificate of Authority to:

UTILITY MANAGEMENT CORPORATION

That the state of incorporation is MISSISSIPPI.

That the period of duration is perpetual.

That according to the records of this office, Articles of Dissolution or a Certificate of Withdrawal have not been filed.

That according to the records of this office, a current Annual Report has been delivered to the Office of the Secretary of State.

I further certify that all fees, taxes and penalties owed to this state, as reflected in the records of the Secretary of State, have been paid and that the corporation is in existence or has authority to transact business in Mississippi.



Given under my hand
and seal of office
November 6, 2009

C. Delbert Hosemann, Jr.

C. Delbert Hosemann, Jr.
Secretary of State

Exhibit B-1 "Jurisdiction of Operation"

Currently Utility Management is authorized to provide retail natural gas service or retail/wholesale electric service in the following states:

Mississippi

Pennsylvania

Texas

Illinois

New Jersey

Exhibit B-2 "Experience & Plans"

UMC is a national energy consulting company providing utility bill payment, risk management and procurement services for electricity and natural gas. UMC has no complaints recorded or filed against them in any State and has over a 95% Client retention rate over the past 5 years.

UMC was founded in 1987 to provide natural gas marketing services for the new deregulated natural gas markets. These customers for the first time could purchase gas from another source other than the pipeline company. In 1989, UMC decided that the real niche service needed by the end user focused more on procurement advice. At that time, the customer was forced to deal with issues concerning the commodity, transportation, and the new natural gas futures market. The company was transformed from a pure natural gas marketing company into a company that helped the end user make decisions on all aspects of natural gas management. This change allowed UMC to sign longer term agreements with their customers, and switch from a regional marketing company to a national energy management service provider. Since 1996, when electricity markets began deregulation, UMC has been working with their Clients on electricity demand, rate and tariff audits in regulated markets, and procurement strategies in open markets.

The Company's products and services can be segmented into two distinct categories including Energy Management and Brokering Services and a Utility Bill Processing and Energy Information Service.

Energy Management and Brokering Service

At the core of UMC's expertise, and the foundation of its 28 year track record with existing Clients, is energy management and procurement assistance for natural gas and electricity. These services include:

- Commodity procurement strategies
- Risk management strategies
- Contract negotiations
- Rate and Tariff analysis
- Transportation / Storage
- Invoicing
- Market research
- Account management

UMC will continue to provide these services to the existing client base and focus on specific verticals to expand this revenue source, including electricity and natural gas supply services in de-regulated markets.

Exhibit B-3 "Summary of Experience"

UMC is licensed to broker electricity in ERCOT (Texas) and PJM and has over 250 current customers being served by a variety of Retail Electric Providers. In 2005, UMC developed a utility bill payment outsourcing service based on the powerful EnergyCAP energy efficiency software application. UMC has a license to use EnergyCAP as an outsource provider providing unique access to the tools developed by Good Steward Software. Today, Utility Management provides energy management and energy information services to commercial and industrial end users, multi-family housing communities and municipalities throughout North America.

Energy Commodity and Brokering Services

Renewed focus on electricity de-regulation has reinvigorated and expanded the opportunity for UMC to capture significant margins through referral agreements of energy contracts for natural gas and electricity. This service provides assistance to our Clients to understand the historical aspects of their energy use revealed through UMC's energy information service bureau; structuring appropriate procurement strategies, developing and issuing Requests for Proposals from competing Retail Energy Providers (REP), analyzing quotes received from responding REP's, assisting in contract negotiations, and providing periodic audits of energy expenses.

Free from the administration of a proprietary portfolio and the risk position of taking title to the commodity, UMC will endeavor to provide an unbiased approach in securing supplies by representing our customers to the market to enable them to find the lowest priced and most reliable supply available.

Exhibit B-4 "Disclosure of Liabilities and Investigations."

None

Exhibit C-1 "Annual Reports"

Utility Management Corporation is a privately held company. Therefore, UMC does not have annual reports.

Exhibit C-2 "SEC Filings"

Utility Management Corporation is a privately held company. Therefore, UMC does not file 10-K/8-K Filings with the SEC

UTILITY MANAGEMENT CORPORATION

Balance Sheet

As of December 31, 2017

Accrual Basis

Dec 31, 17

ASSETS**Current Assets****Checking/Savings**

105 · CASH IN BANK-TRUSTMARK 42,120.29

107 · Renasant Bank - SB Fees 5,930.87

Total Checking/Savings 48,051.16**Accounts Receivable**

126 · *Accounts Receivable 6,904.19

130-1 · ACCTS RECEIVABLE-MGT FEE 47,715.23

130-2 · ACCTS RECEIVABLE-SB 19,951.01

Total Accounts Receivable 74,570.43**Total Current Assets** 122,621.59**Fixed Assets**

150 · MACHINES & EQUIPMENT 110,122.37

151 · Data Hosting Equip & Software 21,551.01

152 · FURNITURE & FIXTURES 34,947.95

155 · Tenant Improvements 12,246.32

160 · TRANSPORTATION EQUIPMENT 50,026.44

165 · ACCUMULATED DEPRECIATION -190,910.88

Total Fixed Assets 37,983.21**TOTAL ASSETS** 160,604.80**LIABILITIES & EQUITY****Liabilities****Current Liabilities****Accounts Payable**

2000 · *Accounts Payable 85,811.92

Total Accounts Payable 85,811.92**Credit Cards**

American Express 2,525.64

Wells Fargo 10,218.13

Total Credit Cards 12,743.77**Other Current Liabilities****212 · Credit Card Accounts**

212A · Comdata 45,000.00

Total 212 · Credit Card Accounts 45,000.00**218 · ACCRUED INTEREST PAYABLE**

218A · ACCRUED INT PAYABLE - WHR 79,546.05

Total 218 · ACCRUED INTEREST PAYABLE 79,546.05

225 · LOAN FROM SHAREHOLDER 73,279.03

231 · Renasant - Line of Credit 30,806.55

250 · Notes payable - Millard/Jackson 235,000.00

Total Other Current Liabilities 463,631.63

Exhibit C-3 "Financial Statements"

	<u>Dec 31, 17</u>
Total Current Liabilities	562,187.32
Long Term Liabilities	
246 · Note Payable - Ford Credit	44,389.94
248 · Note Payable - Renasant Bank	243,206.44
Total Long Term Liabilities	287,596.38
Total Liabilities	849,783.70
Equity	
3001 · COMMON STOCK	61,000.42
310 · PAID IN CAPITAL	106,022.00
3900 · *Retained Earnings	-870,869.78
Net Income	14,668.46
Total Equity	-689,178.90
TOTAL LIABILITIES & EQUITY	160,604.80

UTILITY MANAGEMENT CORPORATION
Balance Sheet
As of December 31, 2018

3:30 PM

05/20/2019

Accrual Basis

Dec 31, 18

ASSETS**Current Assets****Checking/Savings**

105 · CASH IN BANK-TRUSTMARK 8,227.95

107 · Renasant Bank - SB Fees 662.99

Total Checking/Savings 8,890.94**Accounts Receivable**

126 · *Accounts Receivable -14,550.84

130-1 · ACCTS RECEIVABLE-MGT FEE 59,780.74

130-2 · ACCTS RECEIVABLE-SB 23,960.95

Total Accounts Receivable 69,190.85**Total Current Assets 78,081.79****Fixed Assets**

150 · MACHINES & EQUIPMENT 138,196.84

151 · Data Hosting Equip & Software 21,551.01

152 · FURNITURE & FIXTURES 36,270.95

155 · Tenant Improvements 12,246.32

160 · TRANSPORTATION EQUIPMENT 50,026.44

165 · ACCUMULATED DEPRECIATION -190,910.88

Total Fixed Assets 67,380.68**TOTAL ASSETS 145,462.47****LIABILITIES & EQUITY****Liabilities****Current Liabilities****Accounts Payable**

2000 · *Accounts Payable 98,015.00

Total Accounts Payable 98,015.00**Credit Cards**

American Express 4,993.89

Wells Fargo 5,362.86

Total Credit Cards 10,356.75**Other Current Liabilities**

210 · ACCOUNTS PAYABLE 0.18

212 · Credit Card Accounts

212A · Comdata 45,000.00

Total 212 · Credit Card Accounts 45,000.00

218 · ACCRUED INTEREST PAYABLE

218A · ACCRUED INT PAYABLE - WHR 80,927.71

Total 218 · ACCRUED INTEREST PAYABLE 80,927.71

225 · LOAN FROM SHAREHOLDER 42,779.03

231 · Renasant - Line of Credit 23,201.54

232 · Renasant - 4x4 14,165.34

	Dec 31, 18
250 • Notes payable - Millard/Jackson	235,000.00
253 • Urjanet	39,438.00
Total Other Current Liabilities	480,511.80
Total Current Liabilities	588,883.55
Long Term Liabilities	
246 • Note Payable - Ford Credit	31,072.82
248 • Note Payable - Renasant Bank	192,242.72
Total Long Term Liabilities	223,315.54
Total Liabilities	812,199.09
Equity	
3001 • COMMON STOCK	61,000.42
310 • PAID IN CAPITAL	106,022.00
3900 • *Retained Earnings	-856,201.32
Net Income	22,442.28
Total Equity	-666,736.62
TOTAL LIABILITIES & EQUITY	145,462.47

UTILITY MANAGEMENT CORPORATION

P & L Current Year

January through December 2017

Accrual Basis

Jan - Dec 17

Ordinary Income/Expense

Income

405 · MANAGEMENT FEES	736,751.36
412 · Bill Pay Service Income	664,502.23
413 · Procurement Fees	98,011.10
414 · Credit Card Rebate Revenue	297,419.11

Total Income

1,796,683.80

Gross Profit

1,796,683.80

Expense

550 · Late Fees	75.69
601 · ACCOUNTING	6,904.13
602 · ADVERTISING	2,255.00
604 · AUTOMOBILE	3,173.92
605 · BANK CHARGES	
605A · BANK CHARGES - CC Fees	0.00
605 · BANK CHARGES - Other	25,944.83
Total 605 · BANK CHARGES	25,944.83
618 · BUSINESS PROMOTION	595.55
621 · CONTRACT LABOR	70,800.88
622 · CONTRIBUTIONS	1,500.00
623 · COMMISSION	
623A · COMMISSION - HOSPITALS	45,919.18
623D · COMMISSION - Randy Graves	158.61
623 · COMMISSION - Other	32,471.65
Total 623 · COMMISSION	78,549.44
625 · CONVENTIONS & SEMINARS	17,056.00
630 · DEPRECIATION	6,026.00
631 · DUES & SUBSCRIPTIONS	11,717.51
635 · ENTERTAINMENT & MEALS	28,822.26
636 · EQUIPMENT LEASE	9,176.11
637 · DATA HOSTING	25,050.28
640 · INSURANCE	
640 A · INSURANCE - GENERAL LIABILITY	2,390.10
640 B · INSURANCE - COMMERCIAL UMBRELLA	808.00
640 C · INSURANCE - PROFESSIONAL LIAB	1,683.00
640 D · INSURANCE - WORKERS COMP	1,908.03
640 E · INSURANCE - AUTOMOBILE	1,603.94
640 F · INSURANCE - BONDS	200.00
640 G · INSURANCE - LIFE	33,882.79
Total 640 · INSURANCE	42,475.86
645 · INTEREST	
645A · INVESTORS	12,600.00

Exhibit C-3 "Financial Statements"

	Jan - Dec 17
645B · WHR	4,236.99
645 · INTEREST - Other	15,229.22
Total 645 · INTEREST	32,066.21
646 · INTERNET/EMAIL	14,473.52
648 · LEGAL	4,292.00
650 · LICENSES & FEES	
650A · LICENSES & FEES - GOOD STEWARD	42,677.94
650 · LICENSES & FEES - Other	1,490.25
Total 650 · LICENSES & FEES	44,168.19
655 · MISCELLANEOUS	0.00
660 · OFFICE SUPPLIES	9,320.63
661 · Office Expense	8,451.29
662 · PARKING	16,033.50
665 · POSTAGE & SHIPPING	5,035.15
670 · RENT	108,639.21
671 · Utilities	
671A · Electricity	1,073.96
671C · Water	135.10
671E · Trash Removal	157.00
671F · Cable	2,429.96
Total 671 · Utilities	3,796.02
679 · Directors Fees	5,500.00
681 · PAYROLL EXPENSE	
681A · ENERGY MANAGEMENT	358,599.55
681B · SERVICE BUREAU	787,635.07
Total 681 · PAYROLL EXPENSE	1,146,234.62
683 · 401(k) Expenses	
683A · 401(k) Match - EM	2,002.18
683B · 401(k) Match - SB	3,781.55
683 · 401(k) Expenses - Other	250.00
Total 683 · 401(k) Expenses	6,033.73
685 · STATIONERY & PRINTING	387.49
687 · TAXES-OTHER	293.19
692 · TELEPHONE	
692A · Cellular Phone	10,416.15
692D · Conference Calls	208.32
692 · TELEPHONE - Other	10,952.31
Total 692 · TELEPHONE	21,576.78
693 · TRAVEL EXPENSES	
693A · Airfare	4,801.63
693B · Lodging	6,933.68
693C · Rental Car	1,240.40
693D · Mileage	3,703.38
693E · Fuel	4,996.37
Total 693 · TRAVEL EXPENSES	21,675.46

Exhibit C-3 "Financial Statements"

	Jan - Dec 17
695 · MEALS-OTHER	1,494.76
707 · CC Rebates	3,314.70
Total Expense	1,782,909.91
Net Ordinary Income	13,773.89
Other Income/Expense	
Other Income	
705 · MISCELLANEOUS INCOME	894.57
Total Other Income	894.57
Net Other Income	894.57
Net Income	14,668.46

UTILITY MANAGEMENT CORPORATION
P & L Current Year
January through December 2018

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05/20/2019

Accrual Basis

Jan - Dec 18

Ordinary Income/Expense**Income**

405 · MANAGEMENT FEES	739,095.88
412 · Bill Pay Service Income	675,531.14
413 · Procurement Fees	84,831.99
414 · Credit Card Rebate Revenue	310,779.10

Total Income

1,810,238.11

Gross Profit

1,810,238.11

Expense

550 · Late Fees	326.08
601 · ACCOUNTING	9,021.90
604 · AUTOMOBILE	1,651.48
605 · BANK CHARGES	29,303.25
620 · CONSULTANTS	7.31
621 · CONTRACT LABOR	49,649.49
622 · CONTRIBUTIONS	575.00
623 · COMMISSION	
623A · COMMISSION - HOSPITALS	46,513.08
623D · COMMISSION - Randy Graves	1,815.83
623 · COMMISSION - Other	20,370.03

Total 623 · COMMISSION

68,698.94

625 · CONVENTIONS & SEMINARS

6,523.00

631 · DUES & SUBSCRIPTIONS

13,764.84

635 · ENTERTAINMENT & MEALS

29,558.98

636 · EQUIPMENT LEASE

2,005.35

637 · DATA HOSTING

21,687.40

640 · INSURANCE

640 A · INSURANCE - GENERAL LIABILITY	2,704.00
640 B · INSURANCE - COMMERCIAL UMBRELLA	808.00
640 C · INSURANCE - PROFESSIONAL LIAB	1,683.00
640 D · INSURANCE - WORKERS COMP	2,282.70
640 E · INSURANCE - AUTOMOBILE	1,455.96
640 F · INSURANCE - BONDS	200.00
640 G · INSURANCE - LIFE	30,840.00

Total 640 · INSURANCE

39,973.66

645 · INTEREST

645A · INVESTORS	12,600.00
645B · WHR	1,381.66
645 · INTEREST - Other	13,574.20

Total 645 · INTEREST

27,555.86

646 · INTERNET/EMAIL

15,217.70

648 · LEGAL

18,100.40

	<u>Jan - Dec 18</u>
650 · LICENSES & FEES	
650A · LICENSES & FEES - GOOD STEWARD	40,797.36
650 · LICENSES & FEES - Other	<u>2,021.62</u>
Total 650 · LICENSES & FEES	42,818.98
656 · Moving Expenses	8,784.66
660 · OFFICE SUPPLIES	7,671.95
661 · Office Expense	8,847.05
662 · PARKING	17,300.26
665 · POSTAGE & SHIPPING	5,153.41
66900 · Reconciliation Discrepancies	-0.06
670 · RENT	112,578.68
671 · Utilities	
671A · Electricity	1,162.42
671C · Water	137.40
671E · Trash Removal	160.00
671F · Cable	<u>2,647.37</u>
Total 671 · Utilities	4,107.19
679 · Directors Fees	6,500.00
681 · PAYROLL EXPENSE	
681A · ENERGY MANAGEMENT	355,549.26
681B · SERVICE BUREAU	<u>802,163.65</u>
Total 681 · PAYROLL EXPENSE	1,157,712.91
683 · 401(k) Expenses	
683A · 401(k) Match - EM	10,042.37
683B · 401(k) Match - SB	20,003.10
683 · 401(k) Expenses - Other	<u>3,798.76</u>
Total 683 · 401(k) Expenses	33,844.23
685 · STATIONERY & PRINTING	588.99
687 · TAXES-OTHER	45.80
692 · TELEPHONE	
692A · Cellular Phone	10,859.82
692D · Conference Calls	248.04
692 · TELEPHONE - Other	<u>9,467.40</u>
Total 692 · TELEPHONE	20,575.26
693 · TRAVEL EXPENSES	
693A · Airfare	4,268.59
693B · Lodging	8,248.61
693C · Rental Car	1,340.54
693D · Mileage	4,860.25
693E · Fuel	4,092.30
693 · TRAVEL EXPENSES - Other	<u>1,425.28</u>
Total 693 · TRAVEL EXPENSES	24,235.57
695 · MEALS-OTHER	930.95
707 · CC Rebates	3,279.47
Total Expense	<u>1,788,595.94</u>

Exhibit C-3 "Financial Statements"

	Jan - Dec 18
Net Ordinary Income	21,642.17
Other Income/Expense	
Other Income	
705 - MISCELLANEOUS INCOME	800.11
Total Other Income	800.11
Net Other Income	800.11
Net Income	22,442.28

UTILITY MANAGEMENT CORPORATION
Statement of Cash Flows
January through December 2017

3:35 PM

05/20/2019

Jan - Dec 17

OPERATING ACTIVITIES

Net Income	14,668.46
Adjustments to reconcile Net Income to net cash provided by operations:	
126 · *Accounts Receivable	-21,429.62
130-1 · ACCTS RECEIVABLE-MGT FEE	16,158.12
130-2 · ACCTS RECEIVABLE-SB	9,481.54
131 · PREPAID-RELIANT	-0.32
2000 · *Accounts Payable	42,322.68
American Express	312.81
Wells Fargo	8,812.67
210 · ACCOUNTS PAYABLE	146,739.59
212 · Credit Card Accounts:212A · Comdata	45,000.00
218 · ACCRUED INTEREST PAYABLE:218A · ACCRUED INT PAYABLE - WHR	4,236.99
225 · LOAN FROM SHAREHOLDER	-49,000.00
231 · Renasant - Line of Credit	-13,193.45
Net cash provided by Operating Activities	204,109.47

INVESTING ACTIVITIES

150 · MACHINES & EQUIPMENT	11,742.46
152 · FURNITURE & FIXTURES	147.66
153 · Property	-0.30
165 · ACCUMULATED DEPRECIATION	46,171.00
Net cash provided by Investing Activities	58,060.82

FINANCING ACTIVITIES

241 · Notes Payable	0.15
244 · Note Payable - Nissan	25.92
246 · Note Payable - Ford Credit	-13,317.12
248 · Note Payable - Renasant Bank	-45,404.65
3000 · Opening Bal Equity	0.09
3900 · *Retained Earnings	-204,693.53
Net cash provided by Financing Activities	-263,389.14

Net cash increase for period -1,218.85

Cash at beginning of period 49,270.01

Cash at end of period 48,051.16

UTILITY MANAGEMENT CORPORATION
Statement of Cash Flows
January through December 2018

3:39 PM

05/20/2019

	<u>Jan - Dec 18</u>
OPERATING ACTIVITIES	
Net Income	22,442.28
Adjustments to reconcile Net Income	
to net cash provided by operations:	
126 · *Accounts Receivable	21,455.03
130-1 · ACCTS RECEIVABLE-MGT FEE	-12,065.51
130-2 · ACCTS RECEIVABLE-SB	-4,009.94
2000 · *Accounts Payable	12,203.08
American Express	2,468.25
Wells Fargo	-4,855.27
210 · ACCOUNTS PAYABLE	0.18
218 · ACCRUED INTEREST PAYABLE:218A · ACCRUED INT PAYABLE - WHR	1,381.66
225 · LOAN FROM SHAREHOLDER	-30,500.00
231 · Renasant - Line of Credit	-7,605.01
232 · Renasant - 4x4	14,165.34
253 · Urjanet	39,438.00
Net cash provided by Operating Activities	<u>54,518.09</u>
INVESTING ACTIVITIES	
150 · MACHINES & EQUIPMENT	-28,074.47
152 · FURNITURE & FIXTURES	-1,323.00
Net cash provided by Investing Activities	<u>-29,397.47</u>
FINANCING ACTIVITIES	
246 · Note Payable - Ford Credit	-13,317.12
248 · Note Payable - Renasant Bank	-50,963.72
Net cash provided by Financing Activities	<u>-64,280.84</u>
Net cash increase for period	<u>-39,160.22</u>
Cash at beginning of period	48,051.16
Cash at end of period	<u><u>8,890.94</u></u>

Exhibit C-4 "Financial Arrangements"

N/A

UTILITY MANAGEMENT CORPORATION
P & L Current Year
January through December 2018

	12:44 PM 06/10/2019 Accrual Basis Jan - Dec 19	12:44 PM 06/10/2019 Accrual Basis Jan - Dec 20
Ordinary Income/Expense		
Income		
413 · Procurement Fees	42,000.00	42,000.00
Total Income	42,000.00	42,000.00
Gross Profit	42,000.00	42,000.00
Expense		
670 · RENT	1,000.00	1,000.00
681 · PAYROLL EXPENSE		
681A · ENERGY MANAGEMENT	2,500.00	2,500.00
681B · SERVICE BUREAU	0.00	0.00
Total 681 · PAYROLL EXPENSE	2,500.00	2,500.00
Total Expense	3,500.00	3,500.00
Net Ordinary Income	38,500.00	38,500.00
Net Income	38,500.00	38,500.00

Exhibit C-5 "Forecasted Financial Statements"

Assumptions:

- Utility Management is not forecasting any growth based on our current customers and list of prospective customers.
- Utility Management's only expenses for acting as a broker in the State of Ohio is a very small allocated portion of rent and payroll.

Prepared by:

Tony Richard
210 East Capitol Street
Suite 1100
Jackson, MS 39201
Tony.Richard@utilitymanagement.org
601-948-2360 extension 31

UTILITY MANAGEMENT CORPORATION
P & L Current Year
January through December 2018

	12:44 PM 06/10/2019 Accrual Basis Jan - Dec 19	12:44 PM 06/10/2019 Accrual Basis Jan - Dec 20
Ordinary Income/Expense		
Income		
413 · Procurement Fees	42,000.00	42,000.00
Total Income	42,000.00	42,000.00
Gross Profit	42,000.00	42,000.00
Expense		
670 · RENT	1,000.00	1,000.00
681 · PAYROLL EXPENSE		
681A · ENERGY MANAGEMENT	2,500.00	2,500.00
681B · SERVICE BUREAU	0.00	0.00
Total 681 · PAYROLL EXPENSE	2,500.00	2,500.00
Total Expense	3,500.00	3,500.00
Net Ordinary Income	38,500.00	38,500.00
Net Income	38,500.00	38,500.00

Exhibit C-6 Credit Rating

Utility Management Corporation is a privately held company that does not have a credit rating.

Exhibit C-7 Credit Report

Utility Management Corporation is a privately held company. Therefore, UMC does not a credit report.

Utility Management's D&B Number is 01-802-1962

Exhibit C-8 Bankruptcy Information

Utility Management Corporation has never filed for Bankruptcy Protection.

Exhibit C-9 Merger Information

Utility Management Corporation has not been involved in any dissolution or merger or acquisition in the last five years.



CHAMPION
ENERGY SERVICES

INDEPENDENT BROKER AGREEMENT

This **INDEPENDENT BROKER AGREEMENT** ("Agreement") is entered into as of the date set forth below, is made by and between Champion Energy Services, LLC ("Champion") and Utility Management Corporation ("Broker"). Champion and Broker may be individually referred to as "Party" or collectively as "Parties".

RECITAL OF FACTS

WHEREAS, Champion is in the business of selling retail electric service to commercial and industrial customers within the ERCOT service territory;

WHEREAS, Broker is in the business of representing commercial and industrial businesses within the ERCOT service territory that buy electricity for their businesses;


WHEREAS, Champion and Broker wish to enter into transactions whereby Broker may refer potential customers to Champion from time to time; and

WHEREAS, the Parties wish to set out the terms and conditions under which they will conduct their future business relationship;

NOW THEREFORE, in consideration of the mutual covenants set forth in this Agreement as well as for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. SALES PROCESS

Throughout the term hereof, Broker may disclose to Champion the identity of potential commercial and industrial customers that are in the market for retail electric service ("Customer(s)"). When Broker refers Customers to Champion, the identity of the Customer shall be accompanied by all pertinent information in Broker's possession relating to the Customer, the product needs of the Customer, and either the most recent 12-month historical load information for the Customer or a signed Customer release form enabling Champion to obtain Customer's historical load information. Following receipt of such information from Broker, Champion will determine whether it will make an offer to serve the Customer's electricity demands as specified in the information provided by Broker, and if so, Champion will determine pricing and other offering information for presentation to Customer by Broker. Broker shall then work with Customer to obtain an executed written contract for electric service ("Customer Agreement") or, alternatively, if necessary or advantageous, Broker shall request Champion to deal directly with the Customer to negotiate an applicable Customer Agreement. All Customer Agreements shall be in form and substance satisfactory to Champion in its discretion. If such a Customer Agreement is not executed within 180 days of Champion's initial receipt of the Customer information from Broker, then no compensation will be payable to Broker under this Agreement. Champion shall provide Broker, in writing, with a base price applicable to each potential Customer that Broker delivers their information to Champion and that for which Champion elects to provide a bid. The Broker shall have the option of adding an additional amount ("Bounty") to the base price prior to presenting to the Customer. This base price plus the Bounty shall represent the final contracted price to the Customer, if accepted. It is expressly agreed that when Broker shows Champion's pricing and other information to Customer along with pricing and other information from other competitive retailers, Broker will make certain that the information is as comparable as reasonably possible, specifically that the Bounty to be paid to Broker is equivalent.

 Broker

2. COMPENSATION

For each Customer procured for Champion as a direct result of Broker's efforts, Champion will pay Broker the amounts pursuant to Schedule A attached hereto ("Broker Fees"). In the event of a conflict between multiple Brokers concerning the same procured Customer, Champion's then-current bid submission process(es) will determine payment for the Customer. Champion shall never pay Broker Fees for the same Customer to more than one Broker. Broker Fee will be paid to Broker on or before the 20th day of each month for any Broker Fees earned during the previous calendar month. Champion may, if required by law, disclose to any customer (or any governmental entity) the fees it is paying to the Broker for the services it provides hereunder. In addition, Broker shall not withhold disclosure to Customer that Broker will receive a fee in conjunction with Customer's retail electric service.

3. TERM AND TERMINATION

The term of this Agreement will commence on the date set forth on the signatory page ("Effective Date") of this Agreement and will remain in effect until terminated by either Party for any reason (with or without cause) upon thirty (30) days prior written notice. Termination may be immediate if imminent, irreparable harm is possible. Any future Broker Fees due under this Agreement will remain payable until the underlying Customer Agreement(s) for which the Broker Fees are attributable either terminate or expire. If at any time following the execution of the Customer Agreement, there exists an event of force majeure, default, or change in law, regulatory action or judicial action that would give rise to, or require termination, suspension or modification of the Customer Agreement, then Champion may terminate or reasonably amend this Agreement without liability, penalty or damage to Broker, but will remain liable for any and all Broker Fees earned up to the termination, suspension or modification date of the Customer Agreement and which are otherwise due under this Agreement.

4. ACCEPTANCE OF CUSTOMERS

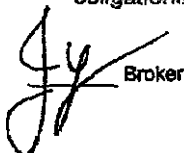
The receipt of any information from Broker pursuant to Section 1 above shall in no way obligate Champion to bid or to enter into any Customer Agreement. The decision as to whether to proceed with any transaction with Customer is at the sole discretion of Champion and Champion may or may not elect to offer electric service to any Customer. If Champion elects not to offer electric service to the Customer or if Champion elects at any point following receipt of the information from Broker described in Section 1, to terminate negotiations or discussion with Customer, Champion may do so in its sole discretion and shall in such event have no liability to Broker whatsoever.

5. CURE PERIOD

If either Party fails in the performance of its obligations under this Agreement at any time during the Term, then the other party (the "Non-Defaulting Party") shall provide notice of such failure to perform to the defaulting Party (the "Defaulting Party"). Following receipt of such notice, the Defaulting Party shall have ten (10) Business Days to cure the event of default described in the notice. If such event of default is not cured within ten (10) Business Days following the Defaulting Party's receipt of notice, then the Non-Defaulting Party may terminate this Agreement and pursue such other remedies as may be available to the Non-Defaulting Party at law or in equity (but subject to the limitations provisions set forth below).

6. INDEMNIFICATION

Each Party will defend, indemnify, and hold harmless the other Party and its owners, officers, directors, employees, parent company(s), members and agents, from and against any and all liabilities, claims, charges, fees, penalties or fines incurred or claimed and resulting from or related to: (i) any breach or default of its respective tax obligations hereunder; (ii) any of its negligent acts or omissions or willful misconduct or any such act, omission or conduct on the part of its employees or agents; or (iii) claims from third parties used or employed by the Parties in furtherance of this Agreement. These indemnification obligations will survive termination or expiration of this Agreement.

 Broker

7. JURISDICTION

This Agreement shall be governed and construed in accordance with the laws of the State of Texas without application of applicable conflicts of laws. Venue for any controversy will be in the state district court in Harris County, Texas.

8. RELATIONSHIP OF PARTIES

This Agreement does not, and shall not be deemed to, create any type of agency, joint venture, employment, franchise or similar relationship between Champion and Broker. Broker will not represent itself as having any relationship to Champion other than as an independent broker for the limited purpose of the referral of potential electric service Customers. Neither Party has, nor will it represent itself as having, the ability to represent, obligate or restrict the other Party, and neither Party will conduct any act or make any statement that disparages, criticizes or otherwise damages the reputation of the other Party. Broker shall be solely responsible for all of its business expenses, including but not limited to: its employee salaries and expenses; its taxes; etc. in performance of its services hereunder.

9. FULL AGREEMENT

This Agreement and attached Schedule(s) represent the full and final agreement between the Parties relating to the subject matter set forth in this Agreement. This Agreement may only be amended by written instrument executed by each of the respective Parties.

10. ASSIGNABILITY

This Agreement shall be binding upon each of the Parties and their respective successors and assigns. Neither Party may assign this Agreement without the express written consent of the other Party which consent shall not be unreasonably withheld. However, either Party may assign this Agreement to its parent company or any of its parent company's subsidiaries ("Affiliates") without the written consent of the other Party.

11. NO LIABILITY

Neither Party to this Agreement (Nor their respective partners, shareholders, employees, officers or directors) shall be liable for any special, consequential, indirect, punitive or exemplary damages without regard to whether such damages arise in contract, in tort, or otherwise.

12. NOTICES

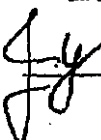
Notices shall be sent to the following:

For Champion:
Champion Energy Services, LLC
Attn: Robert Doty
7904 N. Sam Houston Pkwy, Suite 200
Houston, Texas 77064
Fax: (281) 781-0360

For Broker:
Utility Management Corporation
Attn: Jeffrey S. Young
111 E. Capital Street, Suite 280
Jackson, MS 39201
(601) 352-0521

13. NON-EXCLUSIVE

Broker understands and acknowledges that this Agreement gives no exclusive right to sell the products and services of Champion, and that Champion may sell its products and services through a direct sales force, other independent Brokers or any other means it deems appropriate.

 Broker

14. TRADEMARKS AND TRADENAMES

Broker may represent that it is offering electricity service through Champion. Neither Party will otherwise use, directly or indirectly, and trademarks, trade names, and/or service marks, or logo types of the other Party, in any manner, except in a manner and form that the other Party may prescribe in writing from time to time. Both Parties acknowledge that this Agreement does not confer any goodwill or other interest in any trademarks upon the other Party. Broker will comply with all sales and marketing policies and procedures that Champion may establish from time to time for Broker to perform its services required hereunder and it will coordinate all of its activities under this Agreement with Champion's designated contact.

15. CONFIDENTIALITY

Each Party will keep in confidence (and not disclose) the terms of this Agreement and any applicable Schedule to any third party (other than the Parties' and their affiliates' employees, lenders, counsel, consultants, or accountants who have agreed to keep such terms confidential), except in order to comply with and applicable law, order, regulation or exchange rule. In the event such disclosure is ordered or required, the disclosing Party will notify the other Party as soon as reasonably able. The Parties will be entitled to all remedies at law or equity to enforce this confidentiality obligation. Confidential Information includes, but is not limited to, the following types of information and other information of a similar nature (whether or not reduced to writing): trade secrets, inventions, file data, documentation, diagrams, specifications, know-how, processes, formulas, models, flow charts, software in any stage of development, source codes, object codes, research and development procedures, marketing techniques and materials, marketing and development plans, price lists, pricing policies, pricing models, business plans, information relating to customers and/or suppliers' identities, characteristics and agreements, financial information and projections, and employee files. Neither Party will disclose the other Party's Confidential Information to any other party without the express written consent of the Other Party prior to disclosure.

16. COUNTERPARTS

This Agreement may be executed in any number of counterparts all of which shall be representative of a single agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives as of the 15th day of December, 2006.

CHAMPION ENERGY SERVICES, LLC

By: 

Robert Doty, President

BROKER: Utility Management Corporation


Name: Jeffrey S. Young

Title: Vice President


Broker

May 18 07 09:31a Utility Management Corp.

281-854-2232

p.1

May 18 07 07:31a

p.2

C-4



Master Broker Agreement

Utility Management Corporation, Mississippi ("Broker"), and Constellation NewEnergy, Inc., a Delaware corporation ("NewEnergy"), enter into this Master Broker Agreement (the "Master Broker Agreement") as of the later date set forth under the Parties' signatures below (the "Effective Date"). NewEnergy and Broker are sometimes referred to individually as a "Party" and collectively as the "Parties." This Master Broker Agreement sets forth the framework for Broker's referral of prospective customers to NewEnergy from time to time. Any compensation of Broker for a successful referral shall be governed by, and contingent upon the Parties' execution of, a separate compensation schedule (a "Compensation Schedule") in the general form attached as Schedule A. Each Compensation Schedule, if any, shall set forth certain commercial and other terms for the brokerage of electricity transactions in a designated geographic region and/or for a particular customer or customers, and following execution and delivery by both Parties, shall become effective and be subject to this Master Broker Agreement. The executed Compensation Schedule(s), if any, along with this Master Broker Agreement are sometimes collectively referred to herein as the "Agreement". The Parties agree as follows:

1. **DEFINED TERMS.** Capitalized terms not otherwise defined in this Master Broker Agreement will have the meanings set forth below or in the Compensation Schedule(s).

"Affiliate" of a Party means any person or entity controlled by, that controls, or that is under common control with, such Party. The term "control" (including the terms "controlling", "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of a Party, whether through the ownership of voting securities, by contract, or otherwise.

"Confidential Information" means all information or material not generally known by non-NewEnergy (including its Affiliates) personnel (a) which gives NewEnergy some competitive business advantage or the opportunity of obtaining such advantage, or the disclosure of which could be detrimental to the interests of NewEnergy; (b) which is owned, controlled or developed by NewEnergy or in which NewEnergy has an interest; and (c) which is (i) marked "Confidential Information," "Proprietary Information" or other similar marking, (ii) known by Broker to be considered confidential and proprietary by NewEnergy, or (iii) from all the relevant circumstances should reasonably be assumed by Broker to be confidential and proprietary to NewEnergy. Confidential Information includes, but is not limited to, the following types of information and other information of a similar nature (whether or not reduced to writing): Prospect Data, the terms of this Master Broker Agreement and any related Compensation Schedule(s) or resulting Customer Agreements (including pricing offered by NewEnergy to any Prospect or commission payable by NewEnergy to Broker under any Compensation Schedule), trade secrets, inventions, drawings, file data, documentation, diagrams, specifications, know-how, processes, formulas, models, flow charts, software in various stages of development, source codes, object codes, research and development procedures, research or development and test results, marketing techniques and materials, marketing and development plans, price lists, pricing policies or models, business plans, information relating to current, former or prospective customers and/or suppliers' identities, characteristics and agreements, financial information and projections, and employee files and information. Confidential Information also includes any information described above which NewEnergy obtains from a third party and which NewEnergy treats as proprietary or designates as Confidential Information, whether or not owned or developed by NewEnergy. Notwithstanding the above, however, no information constitutes Confidential Information which Broker can demonstrate by documentary evidence (A) is generic information or general knowledge, or if it is otherwise publicly known and in the public domain; (B) after being disclosed, entered into the public domain without any action or fault of Broker or its personnel or agents; (C) is obtained from any individual, firm or entity which had the unrestricted right to disclose it; or (D) is disclosed by Broker with NewEnergy's prior written approval.

"Customer" means a Prospect that has executed a Customer Agreement.

"Customer Agreement" means any written agreement executed by NewEnergy and a Prospect, in which Broker was instrumental in consummating the transaction. In circumstances where a Prospect and NewEnergy enter into a master electricity supply agreement, they shall only be deemed to be party to a Customer Agreement at such times and both parties execute and delivery a pricing schedule (or the like) thereunder pursuant to which the Prospect becomes obligated to purchase electricity from NewEnergy.

"Geographic Region" means the state(s) and/or utility service territories identified on any executed Compensation Schedule(s). The Parties may expand the Geographic Region by executing additional Compensation Schedules from time to time.

"Governing Jurisdiction" shall have the meaning set forth in the Compensation Schedule(s); provided that the Governing Jurisdiction shall be deemed to be the State of New York if a matter arising under this Agreement involves Compensation Schedules with more than one Governing Jurisdiction, the Parties have not yet entered into a Compensation Schedule, or no Compensation Schedule is otherwise then in force.

"Law" means any law, rule, regulation, ordinance, statute, judicial decision, administrative order, rule of the public utilities commission, public service commission, independent system operator, regional transmission organization, or similar state commission, agency or body having jurisdiction over the Parties, electricity transactions, utilities or electricity transmission or distribution systems.

"Notice Period" shall have the meaning set forth in the Compensation Schedule(s).

"Payment Date" shall have the meaning set forth in the Compensation Schedule(s).

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"Prospect" means an entity eligible to select a retail electricity supplier, located within the Geographic Region and submitted to NewEnergy by Broker, along with the requisite Prospect Data, for NewEnergy's evaluation.

"Prospect Register" means NewEnergy's data management system(s) (whether or not specifically designated as such) for tracking prospective customers in the Geographic Region and for associating those prospective customers with a lead source, such as NewEnergy, any broker (including Broker) or other third party, as applicable, for payment of commission and other data management purposes.

"Utility" means the local electricity distribution company owning and/or controlling and maintaining the distribution system required for delivery of electricity to Prospect accounts.

2. BROKER PROSPECTS. Broker acts as the representative for commercial and industrial businesses or other non-residential customers within the Geographic Region that buy retail electricity and related services. During the term of the Agreement, Broker shall provide NewEnergy with written information regarding customers on whose behalf Broker is authorized to act ("Prospects") in connection with the purchase of retail electricity and related services, including but not limited to, the following information, as well as any additional information designated in the applicable Compensation Schedule(s) (collectively, "Prospect Data"):

- (a) legal name of company or business, state of organization, and business address;
- (b) DUNS Number, tax identification number, credit contact name, telephone number, fax number and e-mail address;
- (c) account and meter number(s), service addresses, copies of electric service bill(s), usage information in electronic format and hard copy for both monthly and interval meters, usage information contact name, telephone number, fax number and e-mail address,
- (d) Utility customer information release form signed by the Prospect, whereby Prospect designates NewEnergy to the Utility as an authorized recipient of Prospect's current and historical energy billing and usage data, meter and account number, and other customer information;
- (e) billing address, billing contact name, number, fax number and e-mail address; and
- (f) notice address, notice contact name, number, fax number and e-mail address (must be an employee and/or authorized representative of the Prospect), Prospect profiles, buying habits and patterns, pricing information (including pricing information of competitors), decision-making processes, and all other information relevant to the buying decision of the Prospect.

During the term of the Agreement, Broker shall (i) notify NewEnergy in writing of any changes to the Prospect Data promptly after Broker becomes aware of such change; (ii) periodically report to NewEnergy regarding the status of discussions with Prospects and/or communications to Customers, and (iii) coordinate with NewEnergy any activities relative to Customers.

3. QUALIFICATION AND REGISTRATION OF PROSPECTS BY NEWENERGY. NewEnergy is in the business of selling electricity and related services to commercial and industrial customers and other non-residential organizations. NewEnergy will review the Prospect Data provided by Broker, as well as any other information NewEnergy may collect independently and make a determination, in NewEnergy's sole judgment, as to whether a Prospect is (a) qualified to receive a proposal from NewEnergy (which include, among other factors, historical consumption patterns and Utility service territories) and/or (b) registered to Broker in the Prospect Register. NewEnergy agrees to notify Broker within the Notice Period whether a Prospect will be registered to Broker in the Prospect Register. Broker acknowledges and agrees that (a) NewEnergy reserves the right to reject a Prospect for any reason, including that the Prospect has previously been registered in the Prospect Register to Broker or another broker (or other third party) during the previous 12 months, or for no reason, in its sole discretion, and (b) in no event shall NewEnergy be liable to Broker for any loss suffered by Broker for NewEnergy's failure to execute a customer agreement with a Prospect or register a Prospect to Broker in the Prospect Register.

4. NON-EXCLUSIVITY. Broker acknowledges and agrees that (a) this Master Broker Agreement does not give any right, exclusive or otherwise, to Broker to sell or represent to a Prospect that it has the ability to sell the products and services of NewEnergy in the Geographic Region; and (b) NewEnergy may sell its products and services through its direct sales force, in connection with other independent brokers or through any other means NewEnergy deems appropriate. All trademarks and service marks, logos, trade names, copyrights associated with any of NewEnergy's marketing materials, and all associated goodwill, shall remain the property of NewEnergy, and all extension of goodwill created by Broker in the Geographic Region shall inure to the benefit of NewEnergy.

5. MUTUAL REPRESENTATIONS AND WARRANTIES. Each Party warrants and represents to the other the following: (a) it is duly organized, validly operating and in good standing under the laws of the jurisdiction of its formation; (b) it is authorized and qualified to do business in the jurisdictions necessary to perform under the Agreement; (c) the execution, delivery and performance of the Agreement are duly authorized and do not violate any governing documents, contracts to which it is a party or applicable Law; and (d) there is no material event(s) or other agreement(s) which would impair that Party's right, authority or ability to execute the Agreement and otherwise consummate the transactions contemplated by the Agreement, or which would represent any conflict of interest with the Broker, any Prospect or NewEnergy.

6. ADDITIONAL REPRESENTATIONS, WARRANTIES AND COVENANTS OF BROKER. Broker warrants, represents and covenants, as of the Effective Date and the date of execution of each Compensation Schedule and Customer Agreement with one of Broker's Prospects, that: (a) the Prospect Data provided to NewEnergy is true and correct to the best of its knowledge; (b) Broker has any and all licenses, permits and approvals required under applicable Law to perform the services in the Geographic Region; (c) Broker is authorized to

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act on behalf of Prospects that Broker submits to NewEnergy, Broker has no authority to act on behalf of NewEnergy, and Broker is not authorized to and shall not alter or modify in any way any Customer Agreements, or any sales, marketing, or pricing materials provided by NewEnergy to Broker for the benefit of Prospects; (d) Broker will use its skills and abilities and perform its duties hereunder in a professional and conscientious manner in accordance with all applicable Law and standards, and will not make any oral or written representations or promises or statements which conflict with the terms of a Customer Agreement entered into with a Prospect; (e) there are no pending, or to the knowledge of Broker, threatened, investigations, actions or judgments against Broker, whether criminal or civil and (f) involving matters of fraud or moral integrity, or (j) constituting a felony; (f) Broker shall bear all of its own business expenses in performance of the services under the Agreement; (g) Broker is responsible for paying any and all taxes incurred as a result of Broker's compensation or otherwise providing services under the Agreement through its employees or permitted subcontractors, including estimated taxes, FICA, and other employment or consulting taxes or obligations; (h) Broker maintains any and all insurance applicable to the performance of its obligations hereunder as required by Law, including workers' compensation, health and disability insurance; (i) Broker shall disclose to all Prospects that NewEnergy shall pay a fee to Broker for Broker's referral of the Prospect to NewEnergy, and (j) Broker shall hold harmless, as well as defend and indemnify, NewEnergy for any damages, losses or costs of any kind incurred by NewEnergy associated with a breach of the representations set forth in this Section 6. The provisions of this clause 6(j) shall survive the expiration or termination of the Agreement for any reason.

7. COMPENSATION. From time to time from and after the Effective Date, NewEnergy and Broker may execute one or more Compensation Schedule(s) to govern the Parties' relationship within a Geographic Region and/or with respect to any Prospects that become Customers. Notwithstanding the mutual execution and delivery of this Master Broker Agreement and/or the registration of a Prospect to Broker in the Prospect Registry, under no circumstances shall NewEnergy have any obligation to enter into one or more Compensation Schedule(s) with Broker, and Broker shall not have any right to any fee, commission or other amount from NewEnergy unless and until NewEnergy has executed and delivered a Compensation Schedule that is satisfactory to NewEnergy and the Broker has fulfilled all other requirements entitling it to be paid compensation under the Agreement. In consideration of the services provided by Broker in accordance with the Agreement, NewEnergy agrees to pay to Broker on or before the Payment Date the commission amounts set forth in the applicable Compensation Schedule, if any, for (a) the initial term of any Customer Agreement(s) executed thereunder; and (b) renewal or extension of any such Customer Agreements, if and only if, Broker participates actively and materially in the efforts to sign-up, renew or extend the Customer Agreements with NewEnergy, as determined by NewEnergy. Upon termination of a Customer Agreement for any reason, NewEnergy's obligation to remit commission to Broker under the Agreement will also terminate, and Customer shall no longer be designated in the Prospect Register as a Prospect of Broker. If in the future NewEnergy enters into a new Customer Agreement with that Customer, no amounts shall be payable to Broker unless NewEnergy and Broker shall have entered into a new Compensation Schedule covering that Customer. Broker shall not be entitled to any compensation for prospective customers outside of the Geographic Region unless and until the Parties sign a Compensation Schedule applicable to the expanded territory. Nothing herein or otherwise shall require that NewEnergy agree to enter into any Compensation Schedule with Broker or extend the Geographic Region set forth in any executed Compensation Schedule. Except for the compensation expressly payable to Broker under the Compensation Schedule(s), no other amounts are payable to Broker, and nothing in the Agreement imposes a duty on NewEnergy with respect to any Customer Agreements, including any duty on NewEnergy to collect amounts unpaid by Customer.

8. TERM. The Master Broker Agreement will commence on the Effective Date and, unless terminated earlier as otherwise provided in this Master Broker Agreement, will continue for a period of one year, and will automatically renew for successive one-year terms. Either Party may terminate this Master Broker Agreement without cause upon thirty (30) days prior written notice to the other Party. If, at the time of termination of this Master Broker Agreement without cause, any Compensation Schedule(s) remain in effect, such termination will not become effective as to any such Compensation Schedule until its expiration, which shall continue to be governed by the terms and conditions of this Master Broker Agreement. NewEnergy shall not be liable to Broker by reason of the expiration or termination of the Agreement for any compensation or damages on account of any loss of prospective profits or anticipated commission or any commitments made by Broker in connection with the Agreement, the creation of goodwill by Broker on behalf of NewEnergy, or the anticipation of extended performance hereunder.

9. DEFAULT; TERMINATION FOR DEFAULT. A "Broker Default" means any one of the following: (a) any representation or warranty made by Broker in the Agreement proves to have been incorrect, false or misleading when made or ceases to remain true during the term of the Agreement, if not cured within five business days after written notice from NewEnergy; (b) Broker's breach of this Agreement or the failure by Broker to perform any obligation set forth in the Agreement (other than events otherwise specifically covered as a separate Broker Default hereunder) and where within five business days after receipt of written notice from NewEnergy it is not cured in circumstances where such failure or breach is curable (if the failure or breach is not curable no cure notice need be provided); or (c) Broker (i) makes an assignment or any general arrangement for the benefit of creditors; (ii) has a liquidator, administrator, receiver, trustee, conservator or similar official appointed for it or any substantial portion of its property or assets (iii) files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause of action under any bankruptcy or similar law for the protection of creditors, or has such petition filed against it and such petition is not withdrawn or dismissed for 20 business days after such filing; (iv) otherwise becomes bankrupt or insolvent (however evidenced) or suspends operations in the normal course; or (v) is unable to pay its debts as they fall due. If a Broker Default occurs, NewEnergy may, in its sole discretion, at any time, terminate the Agreement in whole or solely with respect to those Compensation Schedules affected by such Broker Default, effective upon written notice to Broker, and NewEnergy will have no further liability to make commission compensation payments under such Compensation Schedules affected by the Broker Default. For

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purposes of clause (b), Broker acknowledges and agrees that any breach of the confidentiality obligations in Section 11 below or the representations in Section 6 above shall be deemed for purposes of this Agreement as not capable of cure and constitutes grounds for immediate termination by NewEnergy.

10. OBLIGATIONS UPON EXPIRATION AND TERMINATION; SURVIVAL. Upon termination of Broker's engagement for any reason, Broker shall immediately surrender to NewEnergy all documents, lists, marketing brochures and materials, Prospect Data, books and records of, or in connection with, NewEnergy's business, and all other property belonging to NewEnergy (including all Confidential Information). It being expressly understood that all such lists, books and records, and other documents, are the property of NewEnergy. Notwithstanding anything to the contrary in this Master Broker Agreement, after termination of the Master Broker Agreement (other than for Broker Default), Broker shall be paid commission when due only for the remainder of the current term of Customer Agreement(s) signed prior to the date of such termination pursuant to any Compensation Schedule(s) in effect as of the date of termination. Broker shall not be entitled to any commission or other payment, whether as a so-called "procuring cause" or otherwise, with respect to any Prospects who sign, renew or extend Customer Agreements after termination of this Master Broker Agreement. The following applicable provisions of this Master Broker Agreement will continue in effect after termination or expiration of the Agreement: Sections 6(j), 10, 11, 12, 15, 16, 17 and 20 of this Master Broker Agreement. Except as expressly provided in the Agreement, neither NewEnergy nor Broker shall have any further rights or obligations with respect to the other Party upon termination of the Agreement.

11. CONFIDENTIALITY. Broker agrees to maintain in confidence all Confidential Information, not to disclose any Confidential Information to any third parties (including that Broker will not make any public statement or announcement concerning execution of the Agreement or its relationship with NewEnergy) without the prior written consent of NewEnergy, and not to use the Confidential Information for any purpose other than as expressly permitted by the Agreement; provided that Broker may disclose to its registered Prospects the pricing proposals offered by NewEnergy in connection with the performance of Broker's services. If disclosure of any Confidential Information is sought through process of a court, or a state or federal regulatory agency or other legal compulsion, Broker will notify NewEnergy immediately to afford NewEnergy the opportunity to oppose such disclosure or otherwise obtain a protective order or other relief as may be available. Broker will cooperate with NewEnergy in its attempts to obtain such protections. In any event, Broker will disclose only that portion of Confidential Information required to comply with applicable Law. Broker acknowledges that any breach of this Section 11 will cause irreparable harm to NewEnergy for which money damages would not adequately compensate NewEnergy. Accordingly, in addition to all other remedies expressly provided in the Agreement, Broker agrees that NewEnergy shall be entitled to all available remedies at equity (including without limitation, injunctive relief) and in law. The provisions of this Section 11 shall survive the expiration or termination of the Agreement for any reason.

12. COMPETITIVE ACTIVITY; NON-SOLICITATION; NON-DISPARAGEMENT. During the term of the Agreement (including Compensation Schedule obligations) and for six months after the expiration or termination of the Agreement for any reason, Broker shall not solicit, or assist any other person or commercial entity to solicit, or request or advise any existing NewEnergy customer to breach its agreement with NewEnergy, or otherwise to withdraw, curtail or terminate early its business dealings with NewEnergy. During the term of the Agreement and for one year after the expiration or termination of the Agreement, Broker shall not solicit, or assist any other person to solicit, or request or advise any existing employee of NewEnergy or its Affiliates to terminate employment with NewEnergy or its Affiliates. Upon termination or expiration of the Agreement for any reason, Broker shall refrain from disparaging NewEnergy and its Affiliates, or any of their respective officers, directors, or shareholders; provided, however, that Broker is permitted to make truthful statements in response to requests for information or in compliance with a lawful subpoena or court order. Broker acknowledges that any breach of this Section 12 will cause irreparable harm to NewEnergy for which money damages would not adequately compensate NewEnergy. Accordingly, in addition to all other remedies expressly provided in the Agreement, Broker agrees that NewEnergy shall be entitled to all available remedies at equity (including without limitation, the pursuit of injunctive relief and without the necessity of posting a bond or similar surety in pursuing such relief) and in law. The provisions of this Section 12 shall survive the expiration or termination of the Agreement for any reason.

13. AUTHORITY; NO AGENCY RELATIONSHIP. Broker is an independent contractor under the Agreement, and nothing contained herein or in any Compensation Schedule shall be construed as creating a relationship of employer and employee or principal and agent between them. Accordingly, Broker is not entitled to any benefits accorded to NewEnergy's employees, including, without limitation, workers' compensation, disability insurance, vacation or sick leave. Broker shall not have any authority to execute Customer Agreements or other legally binding documents on behalf of NewEnergy, and shall not hold itself out as having such authority to act as an employee, agent or officer of NewEnergy. Broker shall not incur, assume, agree to pay on behalf of NewEnergy or otherwise commit NewEnergy to any contractual agreement or obligation, or any charge, fee or expense. Nothing in the Agreement will be construed to constitute a joint venture, fiduciary relationship, partnership or other joint undertaking. Broker acknowledges and agrees that in referring Prospects to NewEnergy hereunder it is acting on behalf of such Prospects and does not represent NewEnergy.

14. CUSTOMER AGREEMENTS. Any transaction between NewEnergy and a Prospect and/or Customer will be formed and effectuated by a written agreement negotiated and executed by NewEnergy and the Customer. It is specifically recognized and agreed that NewEnergy, in its sole discretion, may from time to time, change the form as well as the terms and conditions under which it will enter into a Customer Agreement, and nothing herein shall be deemed to prohibit a Customer and NewEnergy from agreeing to terminate a Customer Agreement early. Further, all terms and conditions of the Customer Agreement are subject to NewEnergy's approval and Broker will not directly or indirectly represent or imply otherwise to a Prospect and/or Customer. NewEnergy is responsible for evaluating, approving or denying each Prospect's credit. NewEnergy shall have the sole right to elect not to serve a Prospect or to exercise the termination rights under any

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Customer Agreement for any reason permitted under the Customer Agreement. Upon termination of a Customer Agreement for any reason, NewEnergy's obligation to remit commission to Broker under the Agreement will also terminate, and Customer shall no longer be designated in the Prospect Register as a Prospect of Broker. Further, if a Customer should default in making payments to NewEnergy under its Customer Agreement and NewEnergy has already paid the commission to Broker for the default period, NewEnergy has the right to either (a) deduct that amount previously paid from the total amount due to Broker in a subsequent period; or (b) invoice Broker for such amounts, payable on demand.

15. INDEMNIFICATION. Each Party shall hold harmless, as well as defend and indemnify, the other Party and its Affiliates, and all of their respective officers, directors, members, shareholders, associates, employees, agents, representatives, successors and assigns from and against any and all liabilities, damages, claims, charges, fees or taxes, penalties, fines, costs and expenses (including attorneys' fees) incurred or claimed and resulting from or related to: (a) any breach or default of the indemnifying Party's obligations under the Agreement; (b) any of the indemnifying Party's negligent acts or omissions or willful misconduct, or any such act, omission or misconduct on the part of its employees or agents; or (c) claims from third parties used or employed by the indemnifying Party in fulfilling its obligations provided hereunder. These indemnification obligations shall survive any termination of the Agreement.

16. LIMITATION OF LIABILITY. Notwithstanding any other provision of the Agreement to the contrary, the entire liability of NewEnergy for any and all claims of any kind arising from or relating to the Agreement will not exceed the full amount due to Broker under any Compensation Schedule(s) then in effect and will be limited to direct actual damages only, subject in all cases to an affirmative obligation on the part of the Broker to mitigate its damages. Furthermore, NewEnergy shall not have any liability to Broker whatsoever under this Agreement or at law, in equity or otherwise, including under theories of quantum meruit or unjust enrichment, unless and until the Parties shall have mutually executed and delivered one or more Compensation Schedule(s) that remain in effect. EXCEPT TO THE EXTENT NECESSARY TO FULFILL ITS INDEMNITY OBLIGATIONS RESPECTING A CLAIM OR ACTION BROUGHT BY A THIRD PARTY, AND EXCEPT FOR A BREACH OF SECTION 11 REGARDING CONFIDENTIALITY, NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR ANY SPECIAL, INDIRECT, INCIDENTAL, EXEMPLARY, CONSEQUENTIAL OR PUNITIVE DAMAGES OF ANY CHARACTER, IRRESPECTIVE OF WHETHER CLAIMS OR ACTIONS FOR SUCH DAMAGES ARE BASED UPON CONTRACT, WARRANTY, NEGLIGENCE, STRICT LIABILITY OR ANY OTHER REMEDY AT LAW OR EQUITY. The provisions of this Section 16 shall survive the expiration or termination of the Agreement for any reason.

17. NO THIRD PARTY BENEFICIARIES. The Agreement is for the sole and exclusive benefit of the Parties hereto, and no third party will have any rights under the Agreement whatsoever, other than individuals and entities subject to indemnification under Sections 6(f) and 15 above. If Broker is represented by a third party in connection with the procurement of the Agreement or if Broker employs any third party in connection with its performance hereunder, Broker shall (a) obtain prior written consent from NewEnergy for such engagement(s) or representation(s), (b) be fully responsible for any fee, commission or other compensation owing any such third party; (c) arrange for payment of such third party without involving NewEnergy, and (d) indemnify, defend and hold NewEnergy harmless from any and all claims for compensation by any such third party. The provisions of this Section 17 shall survive the expiration or termination of the Agreement for any reason.

18. ASSIGNMENT. Broker shall not assign any of its rights and obligations under this Master Broker Agreement or any Compensation Schedule(s) without the prior written consent of NewEnergy, which it may withhold in its sole discretion. NewEnergy may assign and be released from any of its rights and obligations under this Master Broker Agreement or any Compensation Schedule(s) without consent to an Affiliate or to any person or entity succeeding to all or substantially all of NewEnergy's assets or business or the division or region of NewEnergy to which the Agreement relates or into which NewEnergy is merged or otherwise combined or reorganized; provided the succeeding entity agrees to be bound to this Agreement.

19. ENTIRE AGREEMENT; AMENDMENT. This Agreement (which constitutes the Master Broker Agreement and any Compensation Schedule(s) executed and delivered by the Parties from time to time) embodies the Parties' entire agreement and understanding, supersedes all prior agreements and understandings (whether written or oral) regarding the subject matter of this Agreement, and may not be contradicted by any prior or contemporaneous oral or written agreement. A facsimile copy of either Party's signature will be considered an original for all purposes under this Agreement, and each Party will provide its original signature upon request. No amendment to this Agreement, including the Compensation Schedule(s), will be valid or given any effect unless signed by both Parties. Any alteration, addition, or modification made by Broker to the preprinted terms of this Agreement shall be void and without any effect. Broker agrees that no employees of NewEnergy are authorized to represent that NewEnergy will enter into any particular Compensation Schedule with Broker prior to the Compensation Schedule being executed in writing by an authorized representative of NewEnergy. In the case of any conflict between this Master Broker Agreement and any Compensation Schedule(s), the Compensation Schedule(s) will control, but only with respect to the Geographic Region and/or Customers listed on such Schedule(s). The section headings used in this Agreement are for reference purposes only and will in no way affect the meaning of the provisions of this Agreement.

20. CHOICE OF LAW; VENUE; ATTORNEY FEES AND EXPENSES. The validity, performance, and construction of this Agreement will be governed and interpreted in accordance with the laws of the Governing Jurisdiction, without giving effect to conflict of law principles. Any controversy or claim arising from or relating to this Agreement will be settled in accordance with the express terms of this Agreement exclusively by a court located in the Governing Jurisdiction (and each Party hereto waives any right to object to venue in this regard). EACH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY ACTION, SUIT OR PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS

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AGREEMENT ON THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. If either Party pursues court action to enforce its rights under this Agreement, the non-prevailing Party shall promptly reimburse the prevailing Party for all its reasonable attorney fees, expenses and costs. The provisions of this Section 20 shall survive the expiration or termination of the Agreement for any reason.

21. WAIVER AND SEVERABILITY. Failure to provide notice of, or object to, any default under this Agreement will not operate or be construed as a waiver of any future default, whether like or different in character. If any portion of this Agreement, or application thereof to any person or circumstance, is held legally invalid, the remainder will not be affected and will be valid and enforced to the fullest extent permitted by law and equity, and there will be deemed substituted for the invalid provisions such provisions as will most nearly carry out the mutual intent of the Parties as expressed in this Agreement to the fullest extent permitted by applicable Law.

22. NOTICES. To be effective, all notices must be in writing delivered by hand, by first class mail, postage prepaid, by electronic facsimile transmission (with verification of delivery), or by express carrier to the addresses provided in this Master Broker Agreement or the applicable Compensation Schedule(s), as the case may be. A Party may change its address by providing notice of such change in accordance herewith.

23. AFFIRMATION. Broker affirms that it has read this Agreement in its entirety and it agrees to the terms and conditions contained herein. If an ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the Parties, and no presumption or burden of proof will arise favoring or disfavoring either Party by virtue of the authorship of any of the provisions of this Agreement.

24. ACCEPTANCE. This Master Broker Agreement and any Compensation Schedule(s) shall not be binding or enforceable against NewEnergy unless and until signed by an authorized representative of NewEnergy. Nothing in this Master Broker Agreement shall be deemed to require that NewEnergy enter into a Compensation Schedule with Broker from and after the Effective Date.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives as of the respective dates set forth below.

Constellation NewEnergy, Inc.

By: Name: James Light
Vice President of OperationsDate: MAY 21 2007

Address for Notices:

1221 Lamar, Suite 750

Houston, Texas 77010

Attn: Legal Department

Broker: Utility Management CorporationBy: Name: Gregory S. YoungTitle: Vice PresidentDate: 5.18.07Tax Payer ID#: 731628920

Address for Notices:

Address (Physical): 11757 Katy FreewayCity, State, Zip: Houston, TX 77079Attn: Gregory S. YoungPhone: 281-854-2235Fax: 281-206-2168

Remittance Address:

Address: 111 E. Capitol Street, Ste 280City, State, Zip: Jackson, Mississippi 39201Attn: Tony RichardPhone: 601-948-2360