

FILE

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

Original AGG Case Number	Version
12-1311-EL-AGG	May 2016

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

Please print or type all required information. Identify all attachments with an exhibit label and title (Example: Exhibit C-10 Corporate Structure). All attachments should bear the legal name of the Applicant. Applicants should file completed applications and all related correspondence with the Public Utilities Commission of Ohio, Docketing Division; 180 East Broad Street, Columbus, Ohio 43215-3793.

This PDF form is designed so that you may input information directly onto the form. You may also download the form, by saving it to your local disk, for later use.

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

☒ Power Broker ☐ Aggregator

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

Legal Name Black Hawk Resources Limited  
 Address 2914 Attleboro Rd., Shaker Heights, OH 44120  
 PUCO Certificate # and Date Certified 12-520E (4) 5/25/2018  
 Telephone # (216) 452-9165 Web site address (if any) www.blackhawkrisk.com

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

Legal Name Black Hawk Resources Limited  
 Address 2914 Attleboro Rd., Shaker Heights, OH 44120  
 Telephone # (216) 452-9165 Web site address (if any) www.blackhawkrisk.com

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

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

**A-5 Contact person for regulatory or emergency matters**

Name Scott Stewart  
 Title CEO  
 Business address 2914 Attleboro Rd., Shaker Heights, OH 44120  
 Telephone # (216) 452-9165 Fax # \_\_\_\_\_  
 E-mail address scott.stewart@blackhawkrisk.com

PUCO  
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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 L. B. W. Date Processed 7/2/20

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

Name Scott Stewart  
Title CEO  
Business address 2914 Attleboro Rd., Shaker Heights, OH 44120  
Telephone # (216) 452-9165 Fax # \_\_\_\_\_  
E-mail address scott.stewart@blackhawkrisk.com

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

Customer Service address 2914 Attleboro Rd., Shaker Heights, OH 44120  
Toll-free Telephone # (216) 452-9165 Fax # \_\_\_\_\_  
E-mail address scott.stewart@blackhawkrisk.com

**A-8 Applicant's federal employer identification number # 27-1091950**

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

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

**A-10 Exhibit A -10 "Principal Officers, Directors & Partners" provide the names, titles, addresses and telephone numbers of the applicant's principal officers, directors, partners, or other similar officials.**

**B. APPLICANT MANAGERIAL CAPABILITY AND EXPERIENCE**

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

**B-1 Exhibit B-1 "Jurisdictions of Operation," provide a list of all jurisdictions in which the applicant or any affiliated interest of the applicant is, at the date of filing the application, certified, licensed, registered, or otherwise authorized to provide retail or wholesale electric services including aggregation services.**

**B-2 Exhibit B-2 "Experience & Plans," provide a description of the applicant's experience and plan for contracting with customers, providing contracted services, providing billing statements, and responding to customer inquiries and complaints in accordance with Commission rules adopted pursuant to Section 4928.10 of the Revised Code.**

**B-3** **Exhibit B-3 "Disclosure of Liabilities and Investigations,"** provide a description of all existing, pending or past rulings, judgments, contingent liabilities, revocation of authority, regulatory investigations, or any other matter that could adversely impact the applicant's financial or operational status or ability to provide the services it is seeking to be certified to provide.

**B-4** Disclose whether the applicant, a predecessor of the applicant, or any principal officer of the applicant have ever been convicted or held liable for fraud or for violation of any consumer protection or antitrust laws within the past five years.

☒ No ☐ Yes

If yes, provide a separate attachment labeled as **Exhibit B-4 "Disclosure of Consumer Protection Violations"** detailing such violation(s) and providing all relevant documents.

**B-5** Disclose whether the applicant or a predecessor of the applicant has had any certification, license, or application to provide retail or wholesale electric service including aggregation service denied, curtailed, suspended, revoked, or cancelled within the past two years.

☒ No ☐ Yes

If yes, provide a separate attachment labeled as **Exhibit B-5 "Disclosure of Certification Denial, Curtailment, Suspension, or Revocation"** detailing such action(s) and providing all relevant documents.

## **C. FINANCIAL CAPABILITY AND EXPERIENCE**

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

**C-1** **Exhibit C-1 "Annual Reports,"** provide the two most recent Annual Reports to Shareholders. If applicant does not have annual reports, the applicant should provide similar information in Exhibit C-1 or indicate that Exhibit C-1 is not applicable and why. (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 arrangements to conduct CRES as a business activity (e.g., guarantees, bank commitments, contractual arrangements, credit agreements, etc.).

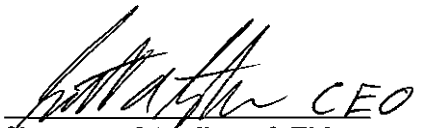

Renewal applicants can fulfill the requirements of Exhibit C-4 by providing a current statement from an Ohio local distribution utility (LDU) that shows that the applicant meets the LDU's collateral requirements.

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.

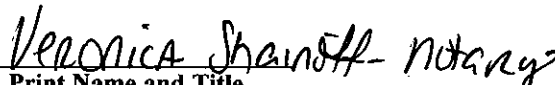
If the applicant is not taking title to the electricity or natural gas, enter "N/A" in Exhibit C-4. An N/A response is only applicable for applicants seeking to be certified as an aggregator or broker.

- 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, Fitch IBCA, Moody's Investors Service, Standard & Poor's, 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 an 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.

 CEO  CEO  
Signature of Applicant & Title

Sworn and subscribed before me this 9 day of June, 2020  
Month Year

  
Signature of official administering oath

  
Print Name and Title



My commission expires on JUN 24, 2023

# **AFFIDAVIT**

State of Ohio :

\_\_\_\_\_  
(Town) ss.

County of Cuyahoga :

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

He/She is the CEO (Office of Affiant) of Black Hawk Resources Ltd. (Name of Applicant);

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

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

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

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

[Signature] CEO [Signature] CEO  
Signature of Affiant & Title

Sworn and subscribed before me this 9 day of June, 2020 Year  
Month

[Signature]  
Signature of official administering oath

Veronica Shainoff - Notary  
Print Name and Title

My commission expires on Jan 24, 2023



# **Supplemental Attachment to Electric Brokers/Aggregators Renewal 2020**

**Black Hawk Resources Limited**



## **A. Renewal Information**

### **A-10: Principal Officers, Directors & Partners**

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

Scott A. Stewart, CEO/Director and Sole Principal Officer  
2914 Attleboro Rd.  
Shaker Heights, OH 44120  
(216) 452-9165 ext. 100  
(203) 273-1408

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

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

*Provide a current list of all jurisdictions in which the applicant or any affiliated interest of the applicant is, at the date of filing the application, certified, licensed, registered, or otherwise authorized to provide retail or wholesale electric services including aggregation services.*

As of this filing, Black Hawk is registered in the states of Ohio and Illinois.

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

*Provide a current description of the applicant's experience and plan for contracting with customers, providing contracted services, providing billing statements, and responding to customer inquiries and complaints in accordance with Commission rules adopted pursuant to Section 4928.10 of the Revised Code.*

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

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

*Provide a description of all existing, pending or past rulings, judgements, contingent liabilities, revocations of authority, regulatory investigations, or any other matter that could adversely impact the applicant's financial or operational status or ability to provide the services it is seeking to be certified to provide.*

There are no pending or past rulings, judgements, contingent liabilities, revocations of authority, regulatory investigations or any other matter that could adversely impact Black Hawk Resources Limited's financial or operational status or ability to provide the services we are seeking to be certified to provide.

### **B-4**

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

☒ No    ☐ Yes

### **B-5**

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

☒ No    ☐ Yes

## Section-C Financial Capability & Experience

### C-1 Annual Reports

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

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

### C-2 SEC Filings

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

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

### C-3 Financial Statements

*Provide copies of the applicant's two most recent years of audited financial statements (balance sheet, income statement, and cash flow statement).*

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

### C-4 Financial Arrangements

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

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

- N/A, as Black Hawk is a broker and not taking the title to the power.

### 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.*

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

### C-6 Credit Rating

*Provide a statement disclosing the applicant's current credit rating as reported by two of the following organizations: Duff & Phelps, Dun and Bradstreet Information Services, Fitch IBCA, Moody's Investors Service, Standard & Poors, or a similar organization.*

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

### **C-7 Credit Report**

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

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

### **C-8 Bankruptcy Information**

*Provide a list and description of any reorganizations, protection from creditors, or any other form of bankruptcy filings made by the applicant, a parent or affiliate organization that guarantees the obligations of the applicant or any officer of the applicant in the current year or since applicant last filed for certification.*

- Not applicable to Black Hawk Resources Limited.

### **C-9 Merger Information**

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

- Not applicable to Black Hawk Resources Limited.

### **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.*

- Not applicable to Black Hawk Resources Limited as we are a stand-alone entity with no affiliate or subsidiary companies.

# **Supplemental Attachments of Exhibits**

Black Hawk Resources Limited

# **Exhibit C-3:**

# **Financial Statements**

**Black Hawk Resources Limited**

**BLACK HAWK RESOURCES LTD.**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2019 AND 2018**

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## INDEPENDENT AUDITOR'S REPORT

The Member  
Black Hawk Resources Ltd.

We have audited the accompanying financial statements of Black Hawk Resources Ltd. (the Company), which comprise the balance sheets as of December 31, 2019 and 2018, and the related statements of income and retained earnings, and cash flows for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Black Hawk Resources Ltd. as of December 31, 2019 and 2018, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Zion, Synek & Associates*

March 5, 2020



**BLACK HAWK RESOURCES LTD.  
BALANCE SHEETS  
DECEMBER 31, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 17,197	\$ -
Accounts Receivable	105,384	93,636
	<hr/>	<hr/>
TOTAL CURRENT ASSETS	122,581	93,636
<b>PROPERTY AND EQUIPMENT</b>		
Furniture and Fixtures	24,432	24,432
Computer Equipment	22,854	15,044
Vehicles	28,129	28,129
	<hr/>	<hr/>
Accumulated Depreciation	75,415 (39,896)	67,605 (32,654)
	<hr/>	<hr/>
	35,519	34,951
<b>OTHER ASSETS</b>	<hr/>	<hr/>
	2,138	2,138
	<hr/>	<hr/>
<b>TOTAL ASSETS</b>	<u>\$ 160,238</u>	<u>\$ 130,725</u>
	<hr/>	<hr/>
<b>LIABILITIES AND MEMBER'S EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ -	\$ 4,950
Deferred Revenue	26,500	24,000
Accrued Expenses	22,906	11,225
	<hr/>	<hr/>
TOTAL CURRENT LIABILITIES	49,406	40,175
<b>MEMBER'S EQUITY</b>		
Retained Earnings	110,832	90,550
	<hr/>	<hr/>
<b>TOTAL LIABILITIES AND MEMBER'S EQUITY</b>	<u>\$ 160,238</u>	<u>\$ 130,725</u>
	<hr/>	<hr/>

See accompanying notes.

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**BLACK HAWK RESOURCES LTD.**  
**STATEMENTS OF INCOME AND RETAINED EARNINGS**  
**YEARS ENDED DECEMBER 31, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
<b>REVENUE</b>	\$ 858,894	\$ 705,981
<b>OPERATING EXPENSES</b>		
Accounting	12,874	11,415
Advertising and Promotion	1,342	372
Bad Debt Expense	75	-
Bank Charges	1,210	43
Business Development	-	2,272
Depreciation	9,408	7,962
Donations	265	2,960
Dues and Subscriptions	8,710	5,836
Employee Benefits	11,853	12,561
Insurance	936	1,718
Legal and Professional Fees	6,460	14,651
Meals and Entertainment	5,653	12,529
Office Expense	2,343	5,465
Payroll Taxes	20,717	11,967
Rent	25,152	18,838
Retirement Plan Expense	4,340	14,228
Salaries and Wages	224,146	135,233
Taxes and Licenses	15,135	10,252
Telephone	6,555	4,969
Trading Fees	-	3,549
Travel	36,412	49,095
Total Operating Expenses	<u>393,586</u>	<u>325,915</u>
<b>INCOME FROM OPERATIONS</b>	<u>465,308</u>	<u>380,066</u>
<b>OTHER INCOME (EXPENSE)</b>		
Interest Expense	(18)	(265)
Loss from Investments	-	(712)
	<u>(18)</u>	<u>(977)</u>
<b>NET INCOME</b>	<u>465,290</u>	<u>379,089</u>
RETAINED EARNINGS AT BEGINNING OF YEAR	90,550	114,900
Member Distributions	<u>(445,008)</u>	<u>(403,439)</u>
<b>RETAINED EARNINGS AT END OF YEAR</b>	<u><u>\$ 110,832</u></u>	<u><u>\$ 90,550</u></u>

See accompanying notes

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**BLACK HAWK RESOURCES LTD.  
STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2019 AND 2018**

	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Income	\$ 465,290	\$ 379,089
Adjustments to Reconcile Net Income to Net Cash Flows		
From Operating Activities:		
Depreciation	9,408	7,962
Loss from Investments	-	712
(Increase) Decrease in Assets:		
Accounts Receivable	(11,748)	(19,491)
Other Assets	-	(1,198)
Increase (Decrease) in Liabilities:		
Accounts Payable	(4,950)	4,950
Deferred Revenue	2,500	-
Accrued Expenses	11,681	(17,551)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>472,181</b>	<b>354,473</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital Expenditures	(9,976)	(4,623)
Proceeds from Redemptions of Investments	-	14,443
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>(9,976)</b>	<b>9,820</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal Payments on Notes Payable	-	(24,535)
Member Distributions	(445,008)	(403,439)
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>(445,008)</b>	<b>(427,974)</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>17,197</b>	<b>(63,681)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>-</b>	<b>63,681</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>\$ 17,197</b>	<b>\$ -</b>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash Paid for Interest	\$ 18	\$ 265
Cash Paid for City Income Taxes	15,177	8,376

See accompanying notes.

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**BLACK HAWK RESOURCES LTD.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019 AND 2018**

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

**General**

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

**Basis of Accounting**

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

**Cash and Cash Equivalents**

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

**Accounts Receivable**

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

**Property and Equipment**

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

Furniture and Fixtures	5 - 10 years
Computer Equipment	3 years
Vehicles	7 years

**Income Taxes**

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

**Members' Equity**

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

**BLACK HAWK RESOURCES LTD.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019 AND 2018**

**Advertising Costs**

Advertising and promotion costs are expensed as incurred.

**Use of Estimates**

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

**Concentration of Credit Risk**

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

**Fair Value of Financial Instruments**

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

**NOTE 2 – CONCENTRATIONS**

Revenue from three clients accounted for 81% of total Company revenue for the year ended December 31, 2019. Accounts receivable from these clients accounted for 71% of total accounts receivable as of December 31, 2019.

Revenue from three clients accounted for 88% of total Company revenue for the year ended December 31, 2018. Accounts receivable from these clients accounted for 75% of total accounts receivable as of December 31, 2018.

**NOTE 3 – LEASES**

The Company leases its offices in Cleveland, Ohio and Reno, Nevada from unrelated third parties. The leases are accounted for as operating leases. Rent expense was \$25,152 in 2019 and \$18,838 in 2018. Future minimum annual rental expense under these lease agreements is \$15,554 for the year ending December 31, 2020.

**NOTE 4 – RETIREMENT PLAN**

As of October 1, 2018, the Company has a SIMPLE IRA plan covering all eligible employees. The plan is funded by elective employee contributions and Company matching contributions. Company matching contributions are equal to 100% of the employee's elective deferral contribution up to the lesser of 3% of the employee's compensation or \$13,000 in 2019 and \$12,500 in 2018. Total retirement plan expense was \$4,340 in 2019 and \$14,228 in 2018.

**BLACK HAWK RESOURCES LTD.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019 AND 2018**

**NOTE 5 – INCOME TAXES**

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

The Company's federal income tax returns for years after 2015 are subject to examination by the IRS, generally for a three-year period from the date the return was filed.

**NOTE 6 – NET CAPITAL REQUIREMENTS**

The Company is subject to the net capital requirements of the National Futures Association, and is required to maintain "adjusted net capital" of at least \$45,000 at all times. At December 31, 2019, the Company had adjusted net capital of \$73,175, which was \$28,175 in excess of its required net capital.

**NOTE 7 – SUBSEQUENT EVENTS**

In preparing these financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through March 5, 2020, the date the financial statements were available to be issued.



## INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

The Member  
Black Hawk Resources Ltd.

We have audited the financial statements of Black Hawk Resources Ltd. as of and for the years ended December 31, 2019 and 2018, and our report thereon, which expressed an unmodified opinion on those financial statements, appears on page 1. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary Statement of the Computation of Minimum Capital Requirements is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and certain requirements of the National Futures Association. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

March 5, 2020

**BLACK HAWK RESOURCES LTD.  
STATEMENT OF THE COMPUTATION OF  
MINIMUM CAPITAL REQUIREMENTS  
DECEMBER 31, 2019**

<b>CURRENT ASSETS</b>	
Cash and Cash Equivalents	\$ 17,197
Accounts Receivable	
Total	105,384
Non-Current Receivables	-
Current Receivables	105,384
<b>TOTAL CURRENT ASSETS</b>	122,581
<b>TOTAL LIABILITIES</b>	49,406
<b>NET CAPITAL</b>	73,175
<b>CHARGES AGAINST NET CAPITAL</b>	-
<b>ADJUSTED NET CAPITAL</b>	73,175
<b>MINIMUM NET CAPITAL REQUIRED</b>	45,000
<b>EXCESS NET CAPITAL</b>	\$ 28,175

There are no material differences between the above computation and the Company's corresponding unaudited Form 1-FR-IB filing as of December 31, 2019.

See independent auditor's report on supplementary information.

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# **Exhibit C-5:**

# **Forecasted Financial**

# **Statements**

**Black Hawk Resources Limited**

**Black Hawk Resources Limited**

Forecast Financials 2020-2021 (for the business ELECTRIC in the state of Ohio only)

<b>2020 Forecast Financials</b>	<b>(In \$ '000's)</b>
Forecasted Revenues	\$12,000
Forecasted Expenses	\$11,000
Forecasted Net Income	\$1,000

<b>2021 Forecast Financials</b>	<b>(In \$ '000's)</b>
Forecasted Revenues	\$13,000
Forecasted Expenses	\$11,500
Forecasted Net Income	\$1,500

*Assumptions: Based on ongoing business and contracts**Prepared by: Scott Stewart, CEO*

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

**Black Hawk Resources Limited**



## CreditScore<sup>SM</sup> Report

as of: 03/12/20 11:49 ET

### Black Hawk Resources LTD

**Address:** 1455 W 29th St  
Cleveland, OH 44113-2960  
United States  
**Phone:** 216-452-9165  
**Experian BIN:** 401707134  
**Agent:** C T Corporation System  
**Agent Address:** 208 So Lasalle ST Suite 814  
Chicago,

**Key Personnel:** Member: Stewart Scott  
**SIC Code:** 6221-Commodity Contracts Brokers & Dealers  
**NAICS Code:** 523100-Securities And Commodity Contracts Intermediation And Brokerage  
**Business Type:** Other  
**Experian File Established:** August 2010  
**Experian Years on File:** 10 Years  
**Years in Business:** More than 10 Years  
**Filing Data Provided by:** Ohio  
**Date of Incorporation:** 06/29/2016

### Experian Business Credit Score

**57**

**Business Credit Score**



**Low-Medium Risk**

The objective of the Experian Business Credit Score is to predict payment behavior. High Risk means that there is a significant probability of delinquent payment. Low Risk means that there is a good probability of on-time payment.

#### Key Score Factors:

- Number of commercial accounts with net 1-30 days term.
- Nbr of active commercial accts within the last 12 mos.
- Number of recently active commercial accounts.
- Commercial account delinquency in last 12 months.

**Business Credit Scores range from a low of 1 to high of 100 with this company receiving a score of 57.** Higher scores indicate lower risk. This score predicts the likelihood of serious credit delinquencies within the next 12 months. This score uses tradeline and collections information, public filings as well as other variables to predict future risk.

## Experian Financial Stability Risk Rating

**2**

**Financial Stability Risk  
Rating**



Low-Medium Risk

A Financial Stability Risk Rating of 2 indicates a 1.11% potential risk of severe financial distress within the next 12 months.

### Key Rating Factors:

- Number of active commercial accounts.
- Risk associated with the company's industry sector.
- Risk associated with the business type.
- Employee size of business.

Financial Stability Risk Ratings range from a low of 1 to high of 5 with this company receiving a rating of 2. Lower ratings indicate lower risk. Experian categorizes all businesses to fit within one of the five risk segments. This rating predicts the likelihood of payment default and/or bankruptcy within the next 12 months. This rating uses tradeline and collections information, public filings as well as other variables to predict future risk.

### Credit Summary

This location does not yet have an estimated Days Beyond Terms (DBT), or a Payment Trend Indicator. This is often the result of too few active Payment Tradelines.

Please refer to Experian's [www.BusinessCreditFacts.com](http://www.BusinessCreditFacts.com) website for more information on establishing Payment Tradelines.

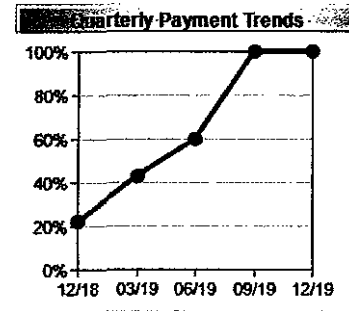
Lowest 6 Month Balance:	\$84
Highest 6 Month Balance:	\$630
Current Total Account Balance:	\$264
Highest Credit Amount Extended:	\$1,312

Payment Tradelines (see charts): 2  
UCC Filings: 2

Businesses Scoring Worse:	56%
✓ Bankruptcies:	0
✓ Liens:	0
✓ Judgments Filed:	0
✓ Collections:	0

## Payment Trend Summary

Insufficient information to produce  
Monthly Payment Trends  
chart.

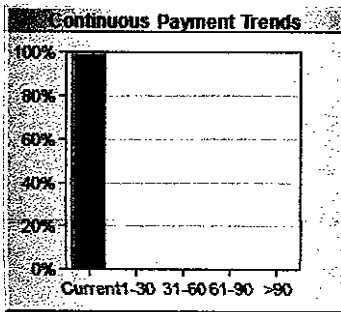


\*Percentage of on-time payments by quarter.

Insufficient information to produce  
Monthly Payment Trends  
table.

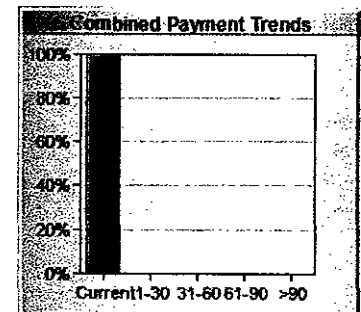
Quarterly Payment Trends - Recent Activity

Date	Current	Up to 30 DBT	31-60 DBT	61-90 DBT	>90 DBT
12/18		17%	17%	17%	27%
03/19		35%	5%	7%	10%
06/19		8%	8%	8%	16%
09/19		0%	0%	0%	0%
12/19		0%	0%	0%	0%



\*Continuous distribution with DBT.

Insufficient information to produce  
Newly Reported Payment Trends  
chart.



\*Combined distribution with DBT.

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

**Black Hawk Resources Limited**

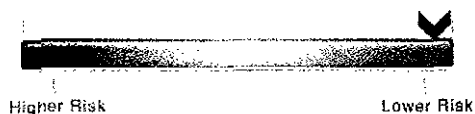
# Black Hawk Resources Limited

DUNS: 96-897-7806

## Credit Information

### Risk Summary

#### Risk of Late Payment



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

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

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

#### Payment Performance Trend



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

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

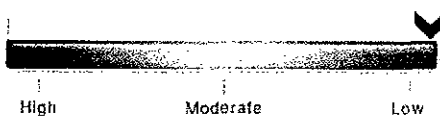
\*Note: Payments to suppliers are averaged weighted by dollar amounts.

### Credit Limit Recommendation

Recommendation Date: 03/12/2020

Risk Category  
**Low**

Conservative Credit Limit  
**\$2.5K**  
Aggressive Credit Limit  
**\$10K**



### Company Profile

Chief Executive: NA

Type of Business:

DOMESTIC LIMITED LIABILITY CO

Years in Business:

NA

Annual Sales:

215794

Employees Total:

1

Line of Business:

Management consulting services

commodity contract broker

CASE NO.  
12-1311-EL-AGG

Exhibit C-7  
Credit Report

### Legal Filings and Other Important Information

Bankruptcies:

None

Negative Payment Experience:

None



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

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

## Special Events

10/13/2014

A Rating change has occurred on this company.

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## Payment Trends

### Summary

**Address:**

1455 W 29th St  
Cleveland, OH 44113

**D-U-N-S Number:**

96-897-7806

**Primary Industry SIC:**

8742

**Description:**

Management consulting services,  
commodity contract broker

This is a **single** location.

### Payment Activity

**Total payment Experiences in D&Bs  
File:**

4

**Payments Within Terms:**  
(not dollar weighted)

100%

**Total Placed For Collection:**

NA

**Average Highest Credit:**

\$1,375

**Largest High Credit:**

\$2,500

**Highest Now Owing:**

\$2,500

**Highest Past Due:**

\$0

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

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

Indications of slowness can be the result of dispute over merchandise, skipped invoices, etc. Accounts are sometimes placed for collection even though the existence or amount of the debt is disputed.

## PAYDEX®

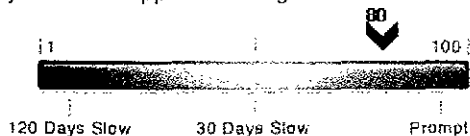
### Score Not Available

We are unable to display a PAYDEX® for this company.  
Please call 800-333-0505 for more information.

### 24 Month PAYDEX®

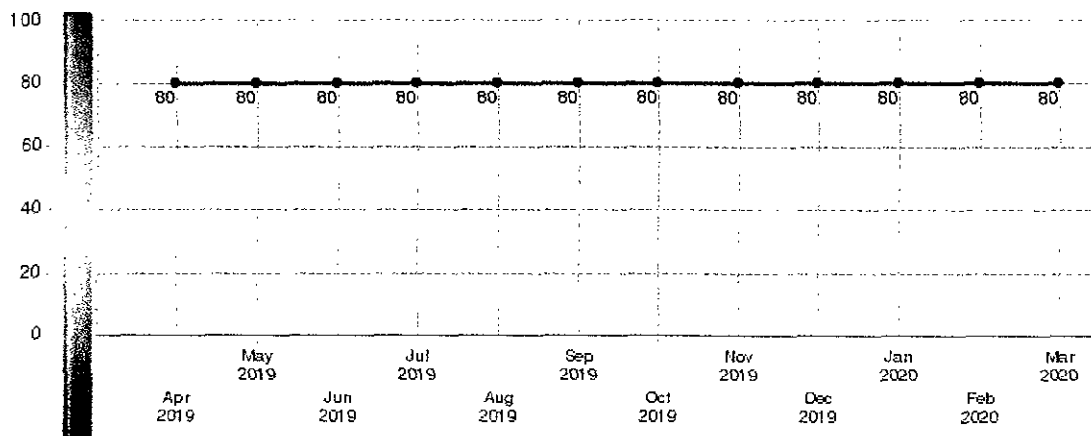
# 80 ▲

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



Based on payments collected over the last 24 months

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

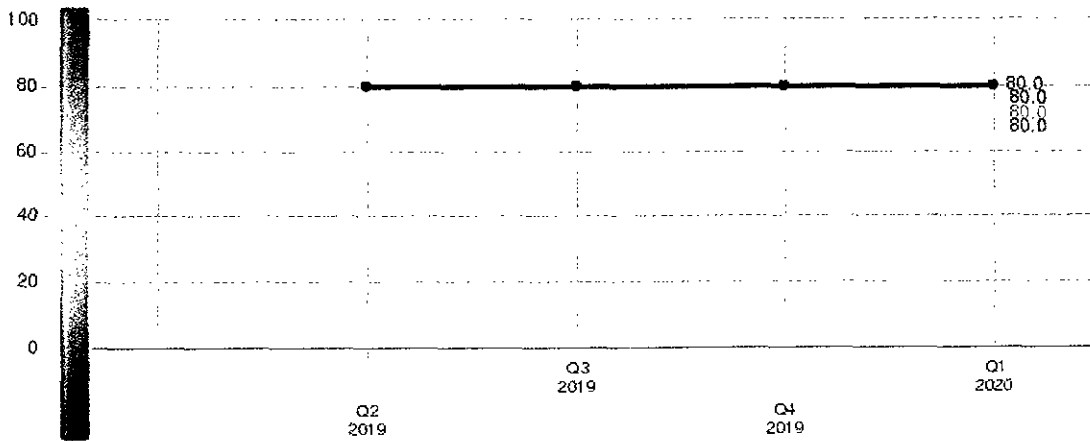


### This Company (80)

Based on payments collected over the last 12 months.

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

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



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

Based on payments collected over the last 4 quarters.

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

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

\$ Credit Extended	% of Payments Within Terms	# Payment Experiences	Total \$ Dollar Amount
Over 100,000	0%	0	\$0
50,000-100,000	0%	0	\$0
15,000-49,999	0%	0	\$0
5,000-14,999	0%	0	\$0
1,000-4,999	100%	1	\$2,500
under 1,000	100%	1	\$250

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

