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**Case Number: 02-2549-GA-CRS**

**Date of Confidential Document: 11/3/2006**

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**Exhibit Exhibits C-3, C-4, C-5, C-6 and C-7**

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02-2549-GA-CRS

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Combined Financial Statements  
and Independent Auditors' Report

Stand Energy Corporation  
and  
Affiliates

Years ended December 31, 2003 and 2002

Novikoff, Manheimer & Co.  
*Certified Public Accountants*

STAND ENERGY CORP

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**NOVIKOFF, MANHEIMER CO.**

*Certified Public Accountants*

GREGORY F. SCHAPKER, CPA  
LAWRENCE A. ALTER, CPA

4705 LAKE FOREST DRIVE  
CINCINNATI, OHIO 45242  
(513) 483-6150

-----  
FAX (513) 483-3110

WALTER NOVIKOFF, CPA (1919-2002)  
RICHARD L. MANHEIMER, CPA (1939-1994)

June 25, 2004

**INDEPENDENT AUDITORS' REPORT**

Board of Directors  
Stand Energy Corporation and Affiliates  
Cincinnati, Ohio

We have audited the accompanying combined balance sheets of Stand Energy Corporation and Affiliates as of December 31, 2003 and 2002, and the related combined statements of earnings and stockholders' equity, cash flows, and additional information for the years then ended. This combined financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free of material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the combined financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit of the combined financial statement provides a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Stand Energy Corporation and Affiliates at December 31, 2003 and 2002, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

The additional information on page eleven is presented only for supplementary analysis purposes and has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but was compiled without audit or review from information that is the representation of management, and we do not express an opinion or any other form of assurance on such information.

*Novikoff, Manheimer & Co.*

STAND ENERGY CORP.

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December 31

2003

2002

LIABILITIES AND STOCKHOLDERS' EQUITY

## CURRENT LIABILITIES:

Trade accounts payable	\$ 8,589,923	\$ 10,376,660
Payroll taxes and taxes withheld	24,915	9,053
Accrued expenses	23,337	117,060
Notes payable to banks (Note C)	2,700,000	-0-
Current maturities of long-term obligations (Note F)	133,250	105,000

## TOTAL CURRENT LIABILITIES

11,471,425 10,607,773

## LONG-TERM OBLIGATIONS;

Less current maturities (Note F)	156,929	210,000
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## STOCKHOLDERS' EQUITY:

Common stock	451,500	451,500
Members' equity	98,906	85,050
Additional paid in capital	83,220	83,220
Retained earnings	1,663,119	1,068,634
Unrealized gain on equity securities (Note A-8)	10,406	-0-

2,307,151

1,688,404

\$ 13,935,505

\$ 12,506,177

The accompanying notes and accountants' report  
should be read in connection with these combined  
financial statements

STAND ENERGY CORPORATION AND AFFILIATES  
COMBINED STATEMENT OF EARNINGS

	Year Ended December 31			
	2003		2002	
	Amount	Percent to Sales	Amount	Percent to Sales
SALES	\$ 91,580,043	100.0%	\$ 64,886,443	100.0%
COST OF SALES	85,812,235	93.7	58,822,887	90.7
GROSS MARGIN	5,767,808	6.3	6,063,556	9.3
EXPENSES:				
Selling	1,781,970	1.9	1,976,836	3.0
General and administrative	1,981,221	2.2	1,857,595	2.9
Interest expense	34,687	0.0	55,066	0.1
	3,797,878	4.1	3,889,497	6.0
EARNINGS FROM OPERATIONS	1,969,930	2.2	2,174,059	3.3
OTHER INCOME:				
Interest and dividend income	10,138	0.0	9,061	0.0
Gain on sale of investments	-0-	0.0	55,413	0.1
Gain on sale of auto	14,348	0.0	-0-	0.0
Gain on sale of intangible asset (Note H)	350,000	0.4	-0-	0.0
Bad debt recovery	247,200	0.3	-0-	0.0
	621,686	0.7	64,474	0.1
NET INCOME	\$ 2,591,616	2.9%	\$ 2,238,533	3.4%

The accompanying notes and accountants' report should be read in connection with these combined financial statements.

STAND ENERGY CORP.

NOVIKOFF, MANHEIMER CO.  
 CERTIFIED PUBLIC ACCOUNTANTS

EXHIBIT C-3 PAGE 33

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STAND ENERGY CORPORATION AND AFFILIATES  
COMBINED STATEMENT OF STOCKHOLDERS' EQUITY  
YEARS ENDED DECEMBER 31, 2003 AND 2002

	Common Stock	Additional Paid in Capital	Retained Earnings	Members' Equity	Unrealized Gain on Equity Securities	Total
Balance at January 1, 2002						
Stand Energy Corporation	\$450,500					
Southern Tier Transmission Corporation	1,000					
Energy Credit Group, L.L.C. (Note A-2)				\$ 67,360		
Combined balance at January 1, 2002	451,500	\$ 83,220	\$ ( 373,484)	67,360	\$ -0-	\$ 228,596
Net income			2,220,518	18,015		2,238,533
Distributions			( 778,400)	( 325)		( 778,725)
Balance at December 31, 2002	451,500	83,220	1,068,634	85,050	-0-	1,688,404
Unrealized gain on marketable securities					10,406	10,406
Net Income			2,576,485	15,131		2,591,616
Distributions			(1,982,000)	( 1,275)		( 1,983,275)
Balance at December 31, 2003	<u>\$451,500</u>	<u>\$ 83,220</u>	<u>\$ 1,663,119</u>	<u>\$ 98,906</u>	<u>\$ 10,406</u>	<u>\$ 2,307,151</u>

Stand Energy Corporation has 1,000 authorized shares of no-par common stock. Of the 600 outstanding shares, 200 are held in treasury. Southern Tier Transmission Corporation has 100 authorized shares of no-par common stock, of which 90 shares are issued and outstanding. Energy Credit Group, L.L.C. has Members' Equity of \$98,906.

The accompanying notes and accountants' report  
should be read in connection with these combined  
financial statements.

NOVIKOFF, MANHEIMER CO.  
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STAND ENERGY CORP

STAND ENERGY CORPORATION AND AFFILIATES  
COMBINED STATEMENT OF CASH FLOWS

	Year Ended December 31	
	2003	2002
<b>OPERATING ACTIVITIES:</b>		
Cash received from customers	\$ 90,556,768	\$ 62,347,282
Cash paid to suppliers	( 87,050,189)	( 56,154,252)
Cash paid for operating expenses	( 3,782,917)	( 3,831,925)
Interest paid	( 34,687)	( 55,066)
Interest and dividends received	10,138	9,061
Net cash (used in) provided by operating activities	( 300,887)	2,315,100
<b>INVESTING ACTIVITIES:</b>		
Purchase of investments	-0-	( 27,322)
Purchase of autos	( 110,382)	-0-
Purchase of equipment	( 44,053)	( 20,960)
Proceeds from sale of intangible asset	350,000	-0-
Proceeds from sale of auto	24,500	-0-
Proceeds from sale of investments	-0-	81,741
Net cash provided by investing activities	220,065	33,459
<b>FINANCING ACTIVITIES:</b>		
Net proceeds (payments) on stockholders' loans	46,330	( 134,943)
Principal payments on notes payable to bank	-0-	( 1,660,000)
Dividends paid	( 1,983,275)	( 778,725)
Net proceeds from bank loans	2,700,000	-0-
Payments on long-term obligations	( 24,821)	( 105,000)
Net cash provided by (used in) financing activities	738,234	( 2,678,668)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>657,412</b>	<b>( 330,109)</b>
<b>CASH AND CASH EQUIVALENTS -</b>		
Beginning of year	761,756	1,091,865
<b>CASH AND CASH EQUIVALENTS -</b>		
End of year	<u>\$ 1,419,168</u>	<u>\$ 761,756</u>

The accompanying notes and accountants' report  
should be read in connection with these combined  
financial statements.

STAND ENERGY CORP.

NOVIKOFF, MANHEIMER CO.  
CERTIFIED PUBLIC ACCOUNTANTS

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STAND ENERGY CORPORATION AND AFFILIATES  
COMBINED RECONCILIATION OF NET INCOME TO NET CASH  
(USED IN) PROVIDED BY OPERATING ACTIVITIES

	Year Ended December 31	
	2003	2002
NET INCOME	\$ 2,591,616	\$ 2,238,533
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	62,640	57,306
Gain on sale of auto	( 14,348)	-0-
Gain on sale of investments	-0-	( 55,413)
Gain on sale of intangible asset	( 350,000)	-0-
Changes in current assets and liabilities:		
(Increase) decrease in:		
Trade accounts receivable	( 1,270,475)	( 2,539,161)
Inventory	548,783	( 318,511)
Prepaid expenses	( 1,498)	( 455)
Loans receivable, other	( 2,107)	( 67,852)
Deposits	( 900)	-0-
Increase (decrease) in:		
Trade accounts payable	( 1,786,737)	2,987,146
Payroll taxes and taxes withheld	15,862	6,436
Accrued expenses	( 93,723)	29,447
Current maturities of long-term debt	-0-	( 22,376)
	<u>\$ ( 300,887)</u>	<u>\$ 2,315,100</u>

The accompanying notes and accountants' report  
should be read in connection with these combined  
financial statements.

STAND ENERGY CORPORATION AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002

Note A - Summary of Significant Accounting Policies

- (1) Principles of Combination - Stand Energy Corporation, Energy Credit Group, L.L.C., and Southern Tier Transmission Corporation (together "the Company") are under the common control of a single group of shareholders. Accordingly, these financial statements are combined and include the accounts of Stand Energy Corporation, Energy Credit Group, L.L.C., and Southern Tier Transmission Corporation. All significant intercompany balances and transactions have been eliminated.
- (2) Description of the Business - Stand Energy Corporation is an independent energy distributor providing gas to customers. The Company operates nationally and presently its customers are primarily in the Midwest and New York State. The Company began selling natural gas services in 1984. Stand Energy's sales were \$90,529,484 in 2003 and \$63,846,540 in 2002.

Energy Credit Group, L.L.C. is an independent energy distributor providing gas to customers. The Company was formed in 2000 and its customers are primarily in Ohio. Energy Credit Group's sales were \$878,581 in 2003 and \$889,831 in 2002. The Company's equity at December 31, 2003 and 2002 was \$98,906 and \$85,050.

Southern Tier Transmission Corporation owns and operates a natural gas pipeline located in New York State. Southern Tier Transmission's sales were \$171,978 in 2003 and \$150,072 in 2002. Southern Tier Transmission's taxable income for 2003 and 2002 was \$851 and \$472 respectively, and their net assets at December 31, 2003 and 2002 were \$6,103 and \$5,323.

- (3) Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the report amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
- (4) Cash and Cash Equivalents - The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents.
- (5) Uninsured Cash Balances - The Company maintains cash balances at four banks. Cash accounts at banks are insured by the FDIC for up to \$100,000. Amounts in excess of insured limits were \$1,043,871 at Fifth Third Bank at December 31, 2003 and \$531,153 at Fifth Third Bank and \$27,970 at The Bank of Kentucky at December 31, 2002.

STAND ENERGY CORPORATION AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002

Note A - Summary of Significant Accounting Policies (Continued)

- (6) Trade Accounts Receivable - The Company provides an allowance for doubtful accounts based upon prior experience and management's assessment of the collectibility of existing specific accounts. The Company performs initial and ongoing credit evaluations of its customers' financial condition and does not require collateral.
- (7) Inventory - Inventory consists of natural gas and is stated at the lower of cost or market determined using the first-in, first-out (FIFO) method.
- (8) Marketable Securities - The marketable securities portfolio is comprised of equity securities classified as available for sale. In accordance with SFAS 115, available for sale securities are stated at market value and unrealized gains or losses are presented as a separate component of stockholders' equity. The aggregate market value of marketable securities exceeded their aggregate cost by \$10,406 at December 31, 2003 and \$-0- at December 31, 2002.
- (9) Loans receivable, other - Loans receivable, other consists of loans to employees and outside sales agents. These loans are non-interest bearing.
- (10) Property and Equipment - Property and equipment are stated at cost. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated useful lives, computed principally on the declining balance method. Expenses include depreciation charges of \$62,640 for 2003 and \$57,306 for 2002.
- (11) Income Taxes - Stand Energy Corporation, with the consent of its shareholders, has elected to have its income taxed under Section 1361 of the Internal Revenue Code as an S corporation, which provides that, in lieu of corporation income taxes, the shareholders are taxed on their proportionate share of the Company's taxable income. Southern Tier Transmission Corporation is a "C" corporation with no tax liability. Energy Credit Group, L.L.C., with the consent of its members, has elected to be taxed as a partnership, which provides that, in lieu of corporation income taxes, the members are taxed on their proportionate share of the Company's taxable income. As a result, no provision or liability for Federal income taxes is separately disclosed in these financial statements.
- (12) Revenue Recognition - The Company recognizes revenue when the gas has been provided to the customer.

Note B - Related Party Transactions

Loans receivable, stockholders are advances to stockholders. These advances are non-interest bearing loans.

STAND ENERGY CORPORATION AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002

Note C - Financing Agreements

At December 31, 2003 the Company has a \$20,000,000 revolving line of credit with Fifth Third Bank that has an outstanding balance of \$2,700,000 at December 31, 2003 and \$-0- at December 31, 2002. The note is personally guaranteed by two stockholders up to a maximum of \$2,000,000 and matured on May 1, 2004. The note was renewed through July 1, 2005 and the available line of credit was increased to \$25,000,000. All outstanding advances shall bear interest at a rate one-half of one percent above the bank's prime rate. The line is secured by trade accounts receivable, inventory, and property and equipment. The loan agreement requires the Company to meet certain restrictive covenants, all of which were met at December 31, 2003 and 2002.

The line of credit will primarily be used to support letters of credit for purchases of energy. Outstanding letters of credit were \$11,530,383 at December 31, 2003 and \$10,498,536 at December 31, 2002.

Note D - Retirement Plan

Effective April 1, 1998 the Company adopted a 401(k) plan under which eligible employees could save from 1% to 15% of their eligible earnings on a pre-tax basis, subject to certain IRS limits. The Company did not make a voluntary matching contribution for 2003 or 2002.

Note E - Commitment

The Company is obligated under a lease, for its office facilities, through April 30, 2005. The Company has the option of renewing its lease at that time. Annual rentals were approximately \$56,000 for 2003 and 2002.

Note F - Long-term Debt

	<u>2003</u>	<u>2002</u>
Power settlement, no stated interest rate, payable in annual installments of \$105,000 until December, 2005	\$ 210,000	\$ 315,000
Financing of auto loans		
3.7 percent in monthly installments of \$1,599 including interest; final payment due September 15, 2006	50,118	-0-
6.0 percent in monthly installments of \$884; final payment due on October 24, 2006	30,061	-0-
	<u>290,179</u>	<u>315,000</u>
	133,250	105,000
Less current portion:	<u>\$ 156,929</u>	<u>\$ 210,000</u>

STAND ENERGY CORPORATION AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002

Note F - Long-term Debt (Continued)

Maturities of long term debt are as follows:

Year ending December 31	
2004	133,250
2005	133,912
2006	23,017
	<u>\$ 290,179</u>

Note G - Rentals under operating leases

The Company has one automobile under an operating lease agreement. The monthly lease payment is approximately \$900. The lease expires in August, 2004.

The future minimum rental payments required under long-term non-cancelable leases during the years ended December 31 is summarized as follows:

2004	<u>\$ 6,285</u>
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Total rental expenses for all operating leases for the years ended December 31, 2003 and 2002 amounted to \$10,817 and \$10,775, respectively.

Note H - Gain on Sale of Intangible Asset

The Company sold an intangible asset with no basis for \$350,000.

STAND ENERGY CORPORATION AND AFFILIATES  
COMBINED ADDITIONAL INFORMATION ON OPERATIONS

	Year Ended December 31	
	2003	2002
SELLING EXPENSES:		
Commissions	\$ 1,536,258	\$ 1,779,703
Consulting	109,020	91,080
Advertising	43,543	31,945
Travel and entertainment	60,991	42,436
Telephone	32,158	31,672
	<u>\$ 1,781,970</u>	<u>\$ 1,976,836</u>
GENERAL AND ADMINISTRATIVE EXPENSES:		
Officers' salaries	\$ 273,058	\$ 270,833
Office salaries	904,300	822,213
Payroll taxes	90,660	80,064
Office	26,468	31,560
Contract labor	34,618	-0-
Rent and utilities	67,009	66,322
Professional services	89,093	177,043
Dues and permits	19,515	9,521
Bank fees	40,933	28,468
Depreciation	62,640	57,306
Contributions	14,460	8,810
Auto	30,417	28,432
Employee benefits	61,902	53,526
Bad debts	165,878	125,342
Maintenance and repairs	3,658	23,027
Miscellaneous	7,263	624
Postage	14,684	9,569
General taxes	24,150	9,405
Insurance	30,819	26,295
Computer expense	19,696	29,235
	<u>\$ 1,981,221</u>	<u>\$ 1,857,595</u>

The accompanying notes and accountants' report should  
be read in connection with this combined additional  
information.



Fifth Third Bank

8100 Burlington Pike  
Florence, KY 41042Exhibit C-4**Fax****To:** Bob Embry**From:** Tom Saelinger**Attn:****Pages:** 10**Fax:** 513-621-3773**Date:** 9-19-02**Re:**

Thomas R. Saelinger  
Vice President  
Fifth Third Bank  
Commercial Lending  
(859) 283-7235  
(859) 283-8524-fax

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TRB

**THIRD AMENDED AND RESTATED  
REVOLVING NOTE**

\$12,000,000.00

Florence, Kentucky

Originally Dated: December 27, 2000

First Amended and Restated: January 29, 2001

(as amended as of June 1, 2001)

Second Amended and Restated: September 1, 2001

Third Amended and Restated: March 1, 2002

On June 1, 2003, **STAND ENERGY CORPORATION**, a Kentucky corporation (the "Borrower"), for value received, hereby promises to pay to the order of **FIFTH THIRD BANK, NORTHERN KENTUCKY, INC.** (the "Bank") at its offices, 8100 Burlington Pike, Florence, Kentucky 41042, in lawful money of the United States of America and in immediately available funds, the principal sum of Twelve Million Dollars (\$12,000,000.00) or such lesser unpaid principal amount as may be advanced by the Bank pursuant to the terms of the Third Amended and Restated Revolving Credit and Security Agreement of even date herewith by and between the Borrower and the Bank, which cancels, supersedes and replaces all prior versions of the same, and as same, may be amended from time to time (the "Agreement").

The principal balance hereof outstanding from time to time shall bear interest at a rate one-half of one percent (0.5) per year above the Prime Rate (as defined below) of Bank in effect from time to time. The interest rate shall change automatically upon each change in the Prime Rate. Interest will be calculated based on a 360-day year and charged for the actual number of days elapsed, and will be payable on the first day of each calendar month. After the occurrence of an Event of Default, this Note shall bear interest (computed and adjusted in the same manner, and with the same effect, as interest hereon prior to maturity), payable on demand, at a rate per annum equal to two percent (2%) above the rate that would otherwise be in effect, until paid, and whether before or after the entry of judgment hereon or in the alternative Bank may impose a fixed charge of Fifty Dollars (\$50.00).

The Prime Rate means the rate of interest per annum announced to be its prime rate from time to time by Fifth Third Bank, an Ohio corporation, at its principal office in Cincinnati, Ohio, whether or not Bank shall at times lend to borrowers at lower rates of interest, or, if there is no such prime rate, then its base rate or such other rate as may be substituted by Bank for the prime rate.

The principal amount of each loan made by the Bank and the amount of each prepayment made by the Borrower shall be recorded by the Bank on the schedule attached hereto or in the regularly maintained data processing records of the Bank. The aggregate unpaid principal amount of all loans set forth in such schedule or in such records shall be presumptive evidence of the principal amount owing and unpaid on this Note. However, failure by Bank to make any such entry shall not limit or otherwise affect Borrower's obligations under this Note or the Agreement.



This Note is the Third Amended and Restated Revolving Note referred to in the Agreement, and is entitled to the benefits, and is subject to the terms, of the Agreement. The principal of this Note is prepayable in the amounts and under the circumstances, and its maturity is subject to acceleration upon the terms, set forth in the Agreement. Except as otherwise expressly provided in the Agreement, if any payment on this Note becomes due and payable on a day other than one on which Bank is open for business (a "Business Day"), the maturity thereof shall be extended to the next Business Day, and interest shall be payable at the rate specified herein during such extension period.

In no event shall the interest rate on this Note exceed the highest rate permissible under any law which a court of competent jurisdiction shall, in a final determination, deem applicable hereto. In the event that a court determines that Bank has received interest and other charges under this Note in excess of the highest permissible rate applicable hereto, such excess shall be deemed received on account of, and shall automatically be applied to reduce the amounts due to Bank from the Borrower under this Note, other than interest, and the provisions hereof shall be deemed amended to provide for the highest permissible rate. If there are no such amounts outstanding, Bank shall refund to Borrower such excess.

Borrower and all endorsers, sureties, guarantors and other persons liable on this Note hereby waive presentment for payment, demand, notice of dishonor, protest, notice of protest and all other demands and notices in connection with the delivery, performance and enforcement of this Note, and consent to one or more renewals or extensions of this Note.

This Note may not be changed orally, but only by an instrument in writing.

This Note is being delivered in, is intended to be performed in, shall be construed and enforceable in accordance with, and be governed by the internal laws of, the Commonwealth of Kentucky without regard to principles of conflict of laws. Borrower agrees that the State and federal courts in Boone or Kenton County, Kentucky or any other court in which Bank initiates proceedings have exclusive jurisdiction over all matters arising out of this Note, and that service of process in any such proceeding shall be effective if mailed to Borrower at its address described in the Notices section of the Agreement. **BORROWER HEREBY WAIVES THE RIGHT TO TRIAL BY JURY OF ANY MATTERS ARISING OUT OF THIS NOTE.**

STAND ENERGY CORPORATION

By: Judith A. Phillips 10/2  
Judith A. Phillips  
Its: President

\*\*\*

Originally Dated: December 27, 2000  
First Amended and Restated: January 29, 2001  
(as amended as of June 1, 2001)  
Second Amended and Restated: September 1, 2001  
Third Amended and Restated: March 1, 2002

**THIRD AMENDED AND RESTATED  
CONTINUING GUARANTY AGREEMENT  
March 1, 2002**

THIS CONTINUING GUARANTY AGREEMENT (the "Guaranty") made as of the 1st day of March, 2002, by and between **MATTHIAS TOEBBEN**, who resides at 835 Rosewood, Villa Hills, Kentucky 41017 and **JUDITH A. PHILLIPS**, who resides at 1071 Celestial Street, Suite 2303, Cincinnati, Ohio 45202 (collectively and jointly and severally "Guarantor") and **FIFTH THIRD BANK, NORTHERN KENTUCKY, INC.**, a Kentucky corporation, 8100 Burlington Pike, Florence, Boone County, Kentucky 41042, for itself and as agent for any affiliate of Fifth Third Bancorp ("Beneficiary").

**WITNESSETH:**

WHEREAS, Beneficiary has agreed to extend credit and financial accommodations to Stand Energy Corporation, a Kentucky corporation, ("Borrower") pursuant to the Third Amended and Restated Revolving Credit and Security Agreement, dated of even date herewith, by and between Borrower and Beneficiary, together with the Revolving Note, dated of even date herewith, executed by Borrower and made payable to the order of Beneficiary (collectively, the "Notes"), and all agreements, instruments and documents executed or delivered in connection with the foregoing or otherwise related thereto (together with any amendments, modifications, or restatements thereof, the "Loan Documents"); and

WHEREAS, Guarantor is affiliated with Borrower and, as such, shall be benefited directly by the transaction contemplated by the Loan Documents, and shall execute this Guaranty in order to induce Beneficiary to enter into such transaction.

NOW, THEREFORE, in consideration of the foregoing premises and other good and valuable consideration, Guarantor hereby guarantees, promises and undertakes as follows:

1. **GUARANTY.** (Maximum Aggregate Liability – Paragraph 8(f)).

(a) Guarantor hereby unconditionally, absolutely and irrevocably guarantees to Beneficiary the full and prompt payment and performance when due (whether at maturity by acceleration or otherwise) of any and all loans, advances, indebtedness and each and every other obligation or liability of Borrower owed to Beneficiary and any affiliate of Fifth Third Bancorp, however created, of every kind and description, whether now existing or hereafter arising and whether direct or indirect, primary or as guarantor or surety, absolute or contingent, due or to

become due, liquidated or unliquidated, matured or unmatured, participated in whole or in part, created by trust agreement, lease, overdraft, agreement, or otherwise, whether or not secured by additional collateral, whether originated with Beneficiary or owed to others and acquired by Beneficiary by purchase, assignment or otherwise, and including, without limitation, all loans, advances, indebtedness and each and every other obligation or liability arising under the Loan Documents, letters of credit now or hereafter issued by Beneficiary or any affiliate of Fifth Third Bancorp for the benefit of or at the request of Borrower, all obligations to perform or forbear from performing acts, and all agreements, instruments and documents evidencing, guarantying, securing or otherwise executed in connection with any of the foregoing, together with any amendments, modifications, and restatements thereof, and all expenses and attorneys' fees incurred or other sums disbursed by Beneficiary or any affiliate of Fifth Third Bancorp under this Guaranty or any other document, instrument or agreement related to any of the foregoing (collectively, the "Obligations"). This Third Amended and Restated Guaranty Agreement cancels, supersedes and replaces all prior versions of this Guaranty.

(b) This Guaranty is a continuing guaranty of payment, and not merely of collection, that shall remain in full force and effect until expressly terminated in writing by Beneficiary, notwithstanding the fact that no Obligations may be outstanding from time to time. Such termination by Beneficiary shall be applicable only to transactions having their inception after the effective date thereof, and shall not affect the enforceability of this Guaranty with regard to any Obligations arising out of transactions having their inception prior to such effective date, even if such Obligations shall have been modified, renewed, compromised, extended, otherwise amended or performed by Beneficiary subsequent to such termination. In the absence of any termination of this Guaranty as provided above, Guarantor agrees that Guarantor's obligations hereunder shall not be deemed discharged or satisfied until the Obligations are fully paid and performed, and no such payments or performance with regard to the Obligations is subject to any right on the part of any person whomsoever, including but not limited to any trustee in bankruptcy, to recover any of such payments. If any such payments are so set aside or settled without litigation, all of which is within Beneficiary's discretion, Guarantor shall be liable for the full amount Beneficiary is required to repay, plus costs, interest, reasonable attorneys' fees and any and all expenses that Beneficiary paid or incurred in connection therewith. A successor of Borrower, including Borrower in its capacity as debtor in a bankruptcy reorganization case, shall not be considered to be a different person than Borrower; and this Guaranty shall apply to all Obligations incurred by such successor.

(c) Guarantor agrees that Guarantor is directly and primarily liable to Beneficiary and that the Obligations hereunder are independent of the Obligations of Borrower, or of any other guarantor. The liability of Guarantor hereunder shall survive discharge or compromise of any Obligation of Borrower in bankruptcy or otherwise. Beneficiary shall not be required to prosecute or seek to enforce any remedies against Borrower or any other party liable to Beneficiary on account of the Obligations, or to seek to enforce or resort to any remedies with respect to any collateral granted to Beneficiary by Borrower or any other party on account of the Obligations, as a condition to payment or performance by Guarantor under this Guaranty.

(d) Beneficiary may, without notice or demand and without affecting its rights hereunder, from time to time: (i) renew, extend, accelerate or otherwise change the amount of,

the time for payment of, or other terms relating to, any or all of the Obligations, or otherwise modify, amend or change the terms of the Loan Documents or any other document or instrument evidencing, securing or otherwise relating to the Obligations, (ii) take and hold collateral for the payment of the Obligations guaranteed hereby, and exchange, enforce, waive, and release any such collateral, and apply such collateral and direct the order or manner of sale thereof as Beneficiary in its discretion may determine. Accordingly, Guarantor hereby waives notice of any and all of the foregoing.

(e) Guarantor hereby waives all defenses, counterclaims and off-sets of any kind or nature, whether legal or equitable, that may arise: (i) directly or indirectly from the present or future lack of validity, binding effect or enforceability of the Loan Documents or any other document or instrument evidencing, securing or otherwise relating to the Obligations, (ii) from Beneficiary's impairment of any collateral, including the failure to record or perfect the Beneficiary's interest in the collateral, or (iii) by reason of any claim or defense based upon an election of remedies by Beneficiary in the event such election may, in any manner, impair, affect, reduce, release, destroy or extinguish any right of contribution or reimbursement of Guarantor, or any other rights of the Guarantor to proceed against any other guarantor, or against any other person or any collateral.

(f) Guarantor hereby waives all presentments, demands for performance or payment, notices of nonperformance, protests, notices of protest, notices of dishonor, notices of default or nonpayment, notice of acceptance of this Guaranty, and notices of the existence, creation, or incurring of new or additional Obligations, and all other notices or formalities to which Guarantor may be entitled, and Guarantor hereby waives all suretyship defenses, including but not limited to all defenses set forth in the Uniform Commercial Code, as revised from time to time (the "UCC") to the full extent such a waiver is permitted thereby.

(g) Guarantor hereby irrevocably waives all legal and equitable rights to recover from Borrower any sums paid by the Guarantor under the terms of this Guaranty, including without limitation all rights of subrogation and all other rights that would result in Guarantor being deemed a creditor of Borrower under the federal Bankruptcy Code or any other law, until such time as Borrower is no longer in default and Beneficiary is returned to the same or better position as prior to the event of default.

2. REPRESENTATIONS, WARRANTIES AND COVENANTS. Guarantor hereby represents, warrants and covenants that the execution, delivery and performance by Guarantor of this Guaranty shall not violate any provision of law or regulation applicable to Guarantor, or any writ or decree of any court or governmental instrumentality, or any instrument or agreement to which Guarantor is a party or by which Guarantor may be bound; this Guaranty is a legal, valid, and binding obligation of said Guarantor, enforceable in accordance with its terms; and there is no action or proceeding before any court or governmental body agency now pending that may materially adversely affect the condition (financial or otherwise) of Guarantor.

3. EVENTS OF DEFAULT. Any of the following occurrences shall constitute an "Event of Default" under this Guaranty:

- (a) An Event of Default occurs under the terms of the Loan Documents or any other document or instrument evidencing, securing or otherwise relating to the Obligations, as "Event of Default" shall be defined therein.
- (b) Guarantor shall fail to observe or perform any covenant, condition, or agreement under this Guaranty and such breach continues unremedied for 30 days after written notice thereof to Borrower by Bank, or any representation or warranty of Guarantor set forth in this Guaranty shall be materially inaccurate or misleading when made or delivered.
- (c) The death or legal incompetence (without substitution of a new Guarantor of equal or greater net worth within sixty [60] days of death or declaration of legal incompetency) of Guarantor, or of any endorser or other guarantor of the Obligations.
- (d) The default by Guarantor under the terms of any indebtedness of Guarantor now or hereafter existing, which default has not been cured within any time period permitted pursuant to the terms and conditions of such indebtedness or the occurrence of an event which gives any creditor the right to accelerate the maturity of any such indebtedness.
- (e) The commencement by Guarantor of a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect; or the entry of a decree or order for relief in respect of Guarantor in a case under any such law or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or other similar official) of Guarantor or for any substantial part of Guarantor's property, or ordering the wind-up or liquidation of Guarantor's affairs; or the filing and pendency for 30 days without dismissal of a petition initiating an involuntary case under any such bankruptcy, insolvency or similar law; or the making by Guarantor of any general assignment for the benefit of creditors; or the failure of Guarantor generally to pay Guarantor's debts as such debts become due; or the taking of action by Guarantor in furtherance of any of the foregoing.
- (f) The revocation or attempted revocation of this Guaranty by Guarantor before the termination of this Guaranty in accordance with its terms, or the assignment or attempted assignment of this Guaranty by Guarantor.

#### 4. REMEDIES.

- (a) Whenever any Event of Default as defined herein shall have happened, and such default continues unremedied as set forth in the Credit Agreement, Beneficiary, in its sole discretion, may take any remedial action permitted by law or in equity or by the Loan Documents or any other document or instrument evidencing, securing or otherwise

relating to the Obligations, including demanding payment in full of all sums guaranteed hereby, plus any accrued interest or other expenses.

(b) If Beneficiary should employ attorneys or incur other expenses for the enforcement of this Guaranty, Guarantor, on demand therefor, shall reimburse the reasonable fees of such attorneys and such other expenses to the extent permitted by law.

(c) No remedy set forth herein is exclusive of any other available remedy or remedies, but each is cumulative and in addition to every other remedy given under this Guaranty or now or hereafter existing at law or in equity or by statute. No delay or omission on the part of Beneficiary to exercise any right or remedy shall be construed to be a waiver thereof, but any such right or remedy may be exercised from time to time and as often as may be deemed expedient thereby, and a waiver on any one occasion shall be limited to that particular occasion.

5. FINANCIAL CONDITION OF BORROWER. Guarantor is presently informed of the financial condition of Borrower and of all other circumstances that a diligent inquiry would reveal and which would bear upon the risk of nonpayment of any of the Obligations. Guarantor hereby covenants that Guarantor shall continue to keep informed of such matters, and hereby waives Guarantor's right, if any, to require Beneficiary to disclose any present or future information concerning such matters including, but not limited to, the release of or revocation by any other guarantor.

6. SUBORDINATION. All indebtedness and liability now or hereafter owing by Borrower to Guarantor is hereby postponed and subordinated to the Obligations owing to Beneficiary; and such indebtedness and liability to Guarantor, if Beneficiary so requests, shall be collected, enforced and received by Guarantor as trustee for Beneficiary and be paid over to Beneficiary on account of the Obligations, with the exception of payments or distributions required to pay Federal, State or local taxes which may be passed on to Guarantors as Shareholders of Borrower, an "S" Corporation.

7. NOTICES. Any notices under or pursuant to this Guaranty shall be deemed duly sent when delivered in hand or when mailed by registered or certified mail, return receipt requested, addressed as follows:

To Guarantor:

Matthias Toebben  
835 Rosewood  
Villa Hills, KY 41017

Judith A. Phillips  
1071 Celestial Street; Suite 2303  
Cincinnati, OH 45202

To Beneficiary:

Fifth Third Bank, Northern Kentucky, Inc.  
8100 Burlington Pike  
Florence, Boone County, Kentucky 41042

ATTN: Commercial Loan Department

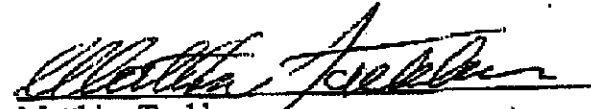
Either party may change such address by sending notice of the change to the other party.

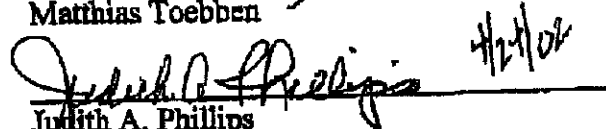
8. MISCELLANEOUS.

- (a) This Guaranty may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.
- (b) This Guaranty is the complete agreement of the parties hereto and supersedes all previous understandings and agreements relating to the subject matter hereof. Neither this Guaranty nor any of the terms hereof may be terminated, amended, supplemented, waived or modified orally, but only by an instrument in writing signed by the party against whom enforcement of the termination, amendment, supplement, waiver or modification is sought.
- (c) As the context herein requires, the singular shall include the plural and one gender shall include one or both other genders.
- (d) This Guaranty shall inure to the benefit of Beneficiary's successors and assigns and shall be binding upon the heirs, executors, administrators and successors of Guarantor. This Guaranty is not assignable by Guarantor.
- (e) If any provision of this Guaranty or the application thereof to any person or circumstance is held invalid, the remainder of this Guaranty and the application thereof to other persons or circumstances shall not be affected thereby.
- (f) The maximum aggregate liability under this Guaranty is the lesser of: (a) Two Million Dollars (\$2,000,000.00) or (b) the excess of outstanding Loans over the Borrowing Base (as defined in the Borrowing Base Certificate), plus accrued interest, fees, charges and costs, including reasonable attorney's fees incurred by Beneficiary as a result of collecting the Obligations (the "Maximum Amount").
- (g) This Guaranty shall terminate on June 1, 2003, provided that such termination shall not effect the liability of Guarantor with respect to Obligations created or incurred prior to such termination date, or extensions or renewals of, interest accruing on, or fees, costs or expenses incurred with respect to such Obligations on or after such date of termination.
- (h) This Guaranty shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky. Guarantor agrees that the state and federal courts for the County in which the Beneficiary is located or any other court in which Beneficiary initiates proceedings have exclusive jurisdiction over all matters arising out of this Guaranty.
- (i) GUARANTOR AND BENEFICIARY HEREBY WAIVE THE RIGHT TO TRIAL BY JURY OF ANY MATTERS ARISING IN CONNECTION WITH THIS GUARANTY OR THE TRANSACTIONS RELATED THERETO.

IN WITNESS WHEREOF, Guarantor has caused this Guaranty to be executed as of the date first above written.

GUARANTOR:


  
Matthias Toeppen

 4/24/02  
Judith A. Phillips

Accepted this 4-24-02 day of April, 2002.

BENEFICIARY:

FIFTH THIRD BANK, NORTHERN  
KENTUCKY, INC.

By:   
Thomas R. Saeling  
Its: Vice President

15812



Stand Energy Corporation

Forecasted Financial Statements - Exhibit C-5

Page 1

	2002	2003
Revenue		
Natural Gas Sales	59,640,035	64,411,238
Cost of Goods Sold		
Natural Gas	47,973,285	51,811,148
Transportation & LDC Charges	5,829,518	6,295,880
Other	120,046	122,447
Total Cost of Goods Sold	53,922,850	58,229,475
Gross Profit	5,717,185	6,181,763
Selling Expenses	1,992,061	2,153,936
Payroll, taxes & benefits	1,159,719	1,194,511
General & Administrative	576,722	594,024
Total Expenses	3,728,502	3,942,470
Income from Operations	1,988,683	2,239,293
Other Income ( Expenses )	(56,000)	(33,600)
Net Income Before Taxes	1,932,683	2,205,693

Stand Energy Corporation

Forecasted Financial Statements - Exhibit C-5

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	2002	2003
<b>Assets</b>		
Cash and equivalents	1,250,000	2,500,000
Accounts receivable ( less allowance for doubtful accounts)	6,096,003	6,461,763
Prepaid expenses & other current assets	39,783	30,000
Inventory	3,858,235	4,698,984
Total current assets	11,244,021	13,690,747
Total fixed assets	628,448	650,000
Accumulated depreciation	(505,191)	(559,860)
Net fixed assets	123,258	90,120
Total other assets	164,419	152,419
Total Assets	11,531,698	13,933,287
<b>Liabilities &amp; Stockholders Equity</b>		
<b>Current liabilities</b>		
Account payable trade & accrued expenses	5,816,049	5,990,530
Inventory purchased by customers but not shipped	3,579,450	4,295,340
other current payables	30,599	25,000
Notes payable to bank	0	0
	9,426,098	10,310,870
Long-Term Obligations		
Power settlements	315,000	210,000
Shareholders equity		
Common stock	450,500	450,500
Paid in capital	83,220	83,220
Dividends paid for taxes	298,400	882,277
Retained earnings	(377,403)	1,555,280
Current year income	1,932,683	2,205,693
Total Shareholder Equity	1,790,600	3,412,416
Total Liability/Owner Equity	11,531,698	13,933,287

Exhibits C-6 & C-7

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this business



Business Information Report — NEW &amp; ENHANCED

## STAND ENERGY INC

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## BUSINESS SUMMARY

About Business Summary

**STAND ENERGY INC**  
1077 Celestial Street #110  
Cincinnati, OH 45202  
[Map This Business's Location](#)

## Rating Change

This is a **headquarters** location.  
Branch(es) or division(s) exist.

Web site: [www.standenergy.com](http://www.standenergy.com)

Telephone: 513 621-1113

Chief executive: MATTH TOEBBEN, CHB

Year started: 1984

Employs: 25 (20 here)

Financial statement date: DEC 31 2001

Sales F: \$88,050,284

Net worth F: \$584,905

History: CLEAR

Financing: SECURED

• Jump to: [Finance Section](#)

D-U-N-S Number: 12-129-3039

SIC: 4911  
4924

• Jump to: [SIC & NAICS Section](#)

Line of business: Natural gas distribution,  
natural gas power  
marketer

D&amp;B Rating: 1A2

Formerly  
1A3Financial strength: 1A is \$500,000 to  
749,999.

Composite credit appraisal: 2 is good.

• Jump to: [Summary Analysis Section](#)

## D&amp;B PAYDEX®:

**12-Month D&B PAYDEX: 80**When weighted by dollar amount, payments to  
suppliers average generally within terms.

Based on trade collected over last 12 months.  
D&B PAYDEX Key

- High risk of late payment  
(average 30 to 120 days beyond terms)
- Medium risk of late payment  
(average 30 days or less beyond terms)
- Low risk of late payment

STAND ENERGY CORPORATION  
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■ Low risk of late payment  
(average prompt to 30+ days sooner)

• Jump to: [Payments Section](#)

More resources from D&B:

- [Full Glossary of Terms](#)
- [Making Better Credit Decisions](#)
- [Interpreting D&B Ratings and Scores](#)
- [Understanding Financial Statements](#)

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This Business for a Full Year  
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## SUMMARY ANALYSIS

[About Summary Analysis](#)

 **D&B Rating:**

**1A2**

**Financial strength:** 1A indicates \$500,000 to 749,999.

**Composite credit appraisal:** 2 is good.

The Rating was changed on July 20, 2002 because of changes in financial information, payment information, or other information about this business. This credit rating was assigned because of D&B's assessment of the company's financial ratios and its cash flow. For more information, see the [D&B Rating Key](#).

Below is an overview of the company's rating history since 01/01/91:

D&B Rating	Date Applied
1A2	07/20/02
1A3	04/26/02
1R3	02/16/99
1R4	12/16/98
3A3	04/07/97
1R2	07/21/95
--	01/01/91

The Summary Analysis section reflects information in D&B's file as of September 16, 2002.

More resources from D&B:

- [D&B Rating Key](#)
- [Interpreting D&B Ratings and Scores](#)

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Potential Risk or Loss  
Special Discount with this Purchase  
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\*\*\* Additional Decision Support Available \*\*\*

Additional D&B products, monitoring services and specialized investigations are available to help you evaluate this company or its industry. Call Dun & Bradstreet's Customer Resource Center at 1.800.234.3867 from anywhere within the U.S. or visit our website at [www.dnb.com](http://www.dnb.com).

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#### PUBLIC FILINGS

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#### UCC FILINGS

About UCC Filings

Export to Spreadsheet

##### Collateral:

All Accounts receivable including proceeds and products - All Inventory including proceeds and products - All Account(s) including proceeds and products - All General Intangibles(s) including proceeds and products - and OTHERS

##### Type:

Original

##### Sec. party:

FIFTH THIRD BANK NORTHERN KENTUCKY INC, FLORENCE, KY

##### Debtor:

STAND ENERGY CORPORATION

##### Filing number:

AP312371

##### Filed with:

SECRETARY OF STATE/UCC DIVISION, COLUMBUS, OH

##### Date filed:

01/12/2001

##### Latest Info Received:

03/26/2001

##### Collateral:

Inventory including proceeds and products - Account(s) including proceeds and products - Vehicles including proceeds and products - Business machinery/equipment including proceeds and products - and OTHERS

##### Type:

Original

##### Sec. party:

FIFTH THIRD BANK NORTHERN KENTUCKY INC, FLORENCE, KY

##### Debtor:

STAND ENERGY CORPORATION

##### Filing number:

AP315979

##### Filed with:

SECRETARY OF STATE/UCC DIVISION, COLUMBUS, OH

##### Date filed:

01/02/2001

##### Latest Info Received:

03/26/2001

##### Type:

Original

##### Sec. party:

SEMPRA ENERGY TRADING CO, STAMFORD, CT

##### Debtor:

STAND ENERGY CORPORATION

##### Filing number:

AP304353

##### Filed with:

SECRETARY OF STATE/UCC DIVISION, COLUMBUS, OH

##### Date filed:

12/28/2000

##### Latest Info Received:

02/02/2001

##### Type:

Original

##### Sec. party:

THE BANK OF KENTUCKY INC, FLORENCE, KY

##### Debtor:

STAND ENERGY CORPOATION

##### Filing number:

AP297140

##### Filed with:

SECRETARY OF STATE/UCC DIVISION, COLUMBUS, OH

##### Date filed:

11/02/2000

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Latest Info Received: 12/18/2000

The public record items contained in this report may have been paid, terminated, vacated or released prior to the date this report was printed.

#### GOVERNMENT ACTIVITY

 [About Government Activity](#)

##### Activity summary

Borrower (Dir/Guar):	NO
Administrative debt:	NO
Contractor:	NO
Grantee:	NO
Party excluded from federal program(s):	NO

##### Possible candidate for socio-economic program consideration

Labor surplus area:	N/A
Small Business:	N/A
8(A) firm:	N/A

The details provided in the Government Activity section are as reported to Dun & Bradstreet by the federal government and other sources.

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### HISTORY

About History

The following information was reported 07/19/2002:

**Officer(s):** MATTH TOEBBEN, CHB  
JUDITH PHILLIPS, PRES

**DIRECTOR(S):** THE OFFICER(S)

Business started 1984 by the officers. 100% of capital stock is owned by officers.

16% of the capital stock is owned by Matth Toeppen's family members; 17% of the capital stock is owned by Matth Toeppens; one third by Robert Robisons and one-third owned by Judith Phillips.

MATTH TOEBBEN born 1931. 1956 to present principal in Matth Toeppen Construction Company (Inc), Covington, KY. 1956 to present principal in Toeppen Builders & Developers Inc, Covington, KY. 1980 to present principal in Kendow Energies Inc, Cincinnati, OH.

JUDITH PHILLIPS born 1936. Active here since 1984. 1962-84 with Columbia Hydrocarbon Corp, locally.

### RELATED COMPANIES:

The following are related via common management and/or financial interest.

Toeppen Builders & Developers Inc, Covington, KY. Started 1956. General contractor of single family homes. DUNS #00-382-0305. Net worth at Dec 31 1995 reported as \$967,871.

Matth Toeppen Construction Company (Inc), Covington, KY. Started 1956. General contractor of commercial and industrial buildings. DUNS #09-986-9646. Net worth at Dec 31 1995 reported as \$828,366.

Kendow Energies Inc, Cincinnati, OH. Started 1980. Wholesale bulk energy fuels. DUNS #05-180-2296. Current financial information unavailable.

Southern Tier Transmission, 1077 Celestial St #110 Cincinnati, OH, Started 1987. Operates as a gas pipeline.

Management reports no intercompany relations.

### BUSINESS REGISTRATION

About Business Registration

CORPORATE AND BUSINESS REGISTRATIONS REPORTED BY THE SECRETARY OF STATE OR OTHER OFFICIAL SOURCE AS OF AUG 30 2002:

**Registered Name:** STAND ENERGY CORPORATION

**Business type:** CORPORATION

**Corporation type:** PROFIT

**Date incorporated:** DEC 28 1984

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STAND ENERGY CORPORATION

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<https://www.dnb.com/scripts/ProductRetriever.asp?REQUESTTYPE=getreport&WIPLINK=/dnbusr1/ht..> 9/18/2002

**State of incorporation:** KENTUCKY  
**Filing date:** DEC 28 1984  
**Registration ID:** 0196832  
**Status:** ACTIVE

**Where filed:** SECRETARY OF STATE/CORPORATE DIVISION, FRANKFORT, KY  
**Registered agent:** MATTH. TOEBBEN, 2536 HAZELWOOD DR., CRESCENT SPRINGS, KY,  
 410170000

**OPERATIONS**[About Operations](#)

07/19/2002

**Description:** Power marketer (resells electricity) (5%) and natural gas distribution (95%).

ADDITIONAL TELEPHONE NUMBER(S): Facsimile (Fax) 513 621-3773.

Terms are net 10 days. Has 745 account(s).

**Employees:** 25 which includes officer(s). 20 employed here.

**Facilities:** Leases 4,200 sq. ft. on first floor of a two story brick building.

**Location:** Suburban business section on side street.

**Branches:** Maintains a sales office at 12920 Stonecreek Dr, Ste C, Pickerington, OH.

**SIC & NAICS**[About SIC & NAICS](#)**SIC:**

Based on information in our file, D&B has assigned this company an extended 8-digit SIC. D&B's use of 8-digit SICs enables us to be more specific to a company's operations than if we use the standard 4-digit code.

The 4-digit SIC numbers link to the description on the Occupational Safety & Health Administration (OSHA) Web site. Links open in a new browser window.

**NAICS:**

221119 Other Electric Power Generation  
 221210 Natural Gas Distribution (pt)  
 221122 Electric Power Distribution

49110000 Electric services  
 49240000 Natural gas distribution  
 49240200 Gas power marketers  
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Business Information Report — NEW & ENHANCED

## STAND ENERGY INC

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### D&B PAYDEX

About D&B PAYDEX

The D&B PAYDEX is a unique, dollar weighted indicator of payment performance based on up to 28 payment experiences as reported to D&B by trade references.

#### 3-Month D&B PAYDEX: 79

When weighted by dollar amount, payments to suppliers average 2 days beyond terms.



Based on trade collected over last 3 months.

#### 12-Month D&B PAYDEX: 80

When weighted by dollar amount, payments to suppliers average generally within terms.



Based on trade collected over last 12 months.

When dollar amounts are not considered, then approximately 92% of the company's payments are within terms.

#### D&B PAYDEX Key:

- High risk of late payment (average 30 to 120 days beyond terms)
- Medium risk of late payment (average 30 days or less beyond terms)
- Low risk of late payment (average prompt to 30+ days sooner)

### PAYMENT SUMMARY

About Payment Summary

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The Payment Summary section reflects payment information in D&B's file as of the date of this report.

Below is an overview of the company's dollar-weighted payments, segmented by its suppliers' primary industries:

	Total Rcv'd (#)	Total Dollar Amts (\$)	Largest High Credit (\$)	Within Terms (%)	Days Slow <31 31-60 61-90 90> (%)			
Top industries:								
Nonclassified	5	—1,000	500	100	-	-	-	-
Natural gas distrib	4	755,000	700,000	100	-	-	-	-
Misc business credit	3	2,750	1,000	100	-	-	-	-
Ret mail-order house	3	850	500	100	-	-	-	-
Electric services	2	75,050	75,000	100	-	-	-	-
Short-trm busn credit	2	8,000	7,500	100	-	-	-	-
Whol office supplies	2	850	750	100	-	-	-	-
Ret misc merchandise	2	1,500	750	50	25	25	-	-
Oil/gas exploration	1	100,000	100,000	100	-	-	-	-

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Whol computers/softwr	1	7,500	7,500	-	100	-	-	-
OTHER INDUSTRIES	2	350	250	100	-	-	-	-

**Other payment categories:**

Cash experiences	0	0	0	
Payment record unknown	1	200,000	200,000	
Unfavorable comments	0	0	0	

**Placed for collections:**

With D&B	0	0	
Other	0	N/A	
Total in D&B's file	28	1,152,850	700,000

The highest **Now Owes** on file is \$200,000

The highest **Past Due** on file is \$1,000

The aggregate dollar amount of the 28 payment experiences in D&B's file equals 15.7% of this company's average monthly sales. In Dun & Bradstreet's opinion, payment experiences exceeding 10% of a company's average monthly sales can be considered representative of payment performance.

**PAYMENT DETAILS**
[About Payment Details](#)
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**Detailed payment history**

Date Reported (mm/yy)	Paying Record	High Credit (\$)	Now Owes (\$)	Past Due (\$)	Selling Terms	Last Sale Within (months)
08/02	Ppt	7,500	0	0		2-3 mos
	Ppt	1,000	0	0	Lease Agreement	1 mo
	Ppt	750	100	0	N30	1 mo
	Ppt	500	50	50	N30	1 mo
	Ppt	250	0	0	N30	6-12 mos
	Ppt	250	0	0		1 mo
	Ppt	100	0	0	N30	1 mo
	Ppt	50	0	0		4-5 mos
	Ppt-Slow 30	5,000	500	250	N30	1 mo
07/02	Ppt	1,000				6-12 mos
	Ppt	750			Lease Agreement	1 mo
	Ppt	500	0	0		1 mo
	Ppt	500	0	0		1 mo
	Ppt	100	0	0		1 mo
	Ppt	100	0	0		1 mo
	Ppt	100	0	0		1 mo
	Ppt	50	0	0		1 mo
	Ppt-Slow 30	750	500	0		1 mo
06/02	Ppt-Slow 60	750	0	0		6-12 mos
	Ppt			0		1 mo
	Ppt	700,000	0		N10	1 mo
	Ppt	100,000	100,000	0	N10	1 mo
	Ppt	75,000	0	0		1 mo
	Ppt	50,000	0		N30	1 mo

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	Ppt	250	0	0		6-12 mos
	Ppt	100	0	0		6-12 mos
	(027)	200,000	200,000	0	N10	
03/02	Slow 15	7,500	1,000	1,000	N30	2-3 mos

**Payments Detail Key:** ■ 30 or more days beyond terms

Payment experiences reflect how bills are met in relation to the terms granted. In some instances payment beyond terms can be the result of disputes over merchandise, shipped invoices etc.

Each experience shown is from a separate supplier. Updated trade experiences replace those previously reported.

More resources from D&B: [Interpreting D&B Ratings and Scores](#)

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### STAND ENERGY INC

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#### FINANCE

About Finance

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07/19/2002

#### One-year statement comparative:

	Fiscal Dec 31 2001
Current Assets	9,752,900
Current Liab	9,462,725
Current Ratio	1.03
Working Capital	290,175
Other Assets	294,730
Net Worth	584,905
Sales	88,050,284
Long Term Liab	0
Net Profit (Loss)	2,058,908

#### Fiscal statement dated DEC 31 2001:

Assets		Liabilities	
Cash	1,083,563	Accts Pay	121,008
Accts Rec	7,346,153	Notes Pay	1,660,000
Inventory	1,290,355	Other Current Pay.	62,396
Prepaid	32,829	Accruals	7,619,321
<b>Curr Assets</b>	<b>9,752,900</b>	<b>Curr Liab</b>	<b>9,462,725</b>
Fixt & Equip	132,805	STOCKHOLDERS' EQUITY	584,905
Other Assets	161,925		
<b>Total Assets</b>	<b>10,047,630</b>	<b>Total</b>	<b>10,047,630</b>

From JAN 01 2001 to DEC 31 2001 annual sales \$88,050,284; cost of goods sold \$83,819,147. Gross profit \$4,231,137; operating expenses \$1,853,159. Operating income \$2,377,978; other expenses \$296,641; net income before taxes \$2,081,337; other tax \$22,427. Net income \$2,058,908.

Submitted APR 25 2002 by Robert Embry, Controller. Extent of audit, if any, not indicated.

On JUL 19 2002 Robert Embry, Controller, referred to the above figures.

He submitted the following interim figures dated APR 30 2002:

Sales for 4 months ending Apr 30 2002 were \$22,092,938. Profits for 4 months ending Apr 30 2002 were

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\$1,396,184.

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**KEY BUSINESS RATIOS**[About Key Business Ratios](#)

Statement date: DEC 31 2001

Based on this number of establishments: 48

Firm		Industry Median	
Return of Sales:	2.3	Return of Sales:	5.3
Current Ratio:	1.0	Current Ratio:	1.3
Assets / Sales:	11.4	Assets / Sales:	209.9
Total Liability / Net Worth:	999.9	Total Liability / Net Worth:	175.5

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