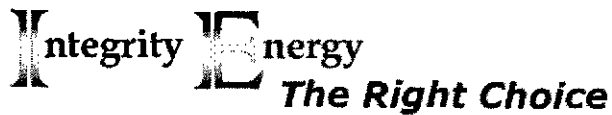


NC FILE

75



13-0322-GA-AGG

Public Utilities Commission of Ohio
Docketing Division 13th Floor
180 East Broad Street
Columbus Ohio 43215-3793

Subject: Application for Competitive Retail Natural Gas Brokers / Aggregators

To Whom it May Concern:

Enclosed you will find Integrity Energy's certification application for Retail Natural Gas Brokers/Aggregators. You will find one original along with 10 copies.

If you have any questions or concerns please do not hesitate to contact me directly at 216-502-4410 or pnero@integrenergy.com

Sincerely,

A handwritten signature in black ink, appearing to read "Paul Nero", written in a cursive style.

**Paul Nero
C.E.O.
Integrity Energy**

This is to certify that the images appearing are an accurate and complete reproduction of a on file document delivered in the regular course of business.
Technician AM Date Processed 1/28/13

RECEIVED-DOCKETING DIV
2013 JAN 28 PM 2:19
PUCO



The Public Utilities Commission of Ohio

CERTIFICATION FILING INSTRUCTIONS **COMPETITIVE RETAIL NATURAL GAS BROKERS /AGGREGATORS**

- I. ***Where to File:*** Applications should be sent to: Public Utilities Commission of Ohio (PUCO or Commission), Docketing Division, 13th Floor, 180 East Broad Street, Columbus Ohio 43215-3793.
- II. ***What to File:*** Applicant must submit one original notarized application signed by a principal officer and ten copies, including all exhibits, affidavits, and other attachments. All attachments, affidavits, and exhibits should be clearly identified. ***For example, Exhibit A-15 should be marked "Exhibit A-15 - Corporate Structure."*** All pages should be numbered and attached in a sequential order.
- III. ***Which Forms to File:*** Entities, other than governmental aggregators, that will aggregate customers or suppliers to provide competitive retail natural gas services must file a "**Certification Application for Retail Natural Gas Brokers/Aggregators**" form. Governmental aggregators must file a "**Certification Application for Governmental Aggregators**" form and retail natural gas suppliers must file a "**Certification Application for Retail Natural Gas Suppliers**" form. If a broker/aggregator will provide competitive retail natural gas marketer services, in addition to broker and aggregator services, it must file a "**Certification Application for Retail Natural Gas Suppliers**" form. Checkboxes are provided on the form to indicate desired status.

A summary of Competitive Retail Natural Gas Service (CRNGS) definitions (from the Commission's certification rules) is provided below to help applicants determine which application form to use. Three separate application forms are provided, one each for the following services.

- ***Competitive Retail Natural Gas Supplier (Marketer, Broker, Aggregator)***
- ***Competitive Retail Natural Gas Broker/Aggregator***
- ***Ohio Natural Gas Governmental Aggregator***

IV. *Certified Entity Service Definitions:*

Competitive Retail Natural Gas Service - any retail natural gas service that may be competitively offered to consumers in this state.

Competitive Retail Natural Gas Supplier - a person that is engaged in a for-profit or not-for-profit basis in the business of supplying or arranging for the supply of a CRNGS to consumers in this state that are not mercantile customers. "Retail natural gas supplier" includes a marketer, broker, or aggregator, but excludes a natural gas company, a governmental aggregator, a billing or collection agent, and a producer or gatherer of gas that is not a natural gas company.

Competitive Retail Natural Gas Marketing Service – assuming the contractual and legal responsibility for the sale and provision of CRNGS to a retail natural gas customer in this state and having title to natural gas at some point during the transaction.

Competitive Retail Natural Gas Brokerage Service – assuming the contractual and legal responsibility for the sale and/or arrangement for the supply of CRNGS to a retail customer in this state without taking title to the natural gas.

Competitive Retail Natural Gas Broker - a person who provides retail natural gas brokerage service.

Competitive Retail Natural Gas Aggregation Service - combining the natural gas load of multiple retail residential customers or small commercial customers via an agreement with the customers for the purpose of purchasing retail natural gas service on an aggregated basis.

Competitive Retail Natural Gas Aggregator - a person who contracts with customers to combine the customers' natural gas load for the purposes of purchasing CRNGS on an aggregated basis.

Natural Gas Governmental Aggregator - The legislative authority of a municipal corporation, the board of township trustees, or a board of county commissioners acting exclusively under Section 4929.26 or 4929.27 of the Revised Code as an aggregator for the provision of CRNGS. For the purposes of this definition, "governmental aggregator" specifically excludes a municipal corporation acting exclusively under Section 4 of Article XVIII, Ohio Constitution, as an aggregator for the provision of CRNGS.

- V. ***Application Form:*** The application form is available on the PUCO Web site, www.puco.Ohio.gov or directly from the Commission located at: Public Utilities Commission of Ohio, Docketing Division, 13th Floor, 180 East Broad Street, Columbus, Ohio 43215-3793.
- VI. ***Confidentiality:*** If any of an applicant's answers require the applicant to disclose what the applicant believes to be privileged or confidential information not otherwise available to the public, the applicant should designate at each point in the application that the answer requires the applicant to disclose privileged and confidential information. Applicant must still provide that privileged and confidential information (*separately filed and appropriately marked*). Applicant must fully support any request to maintain the confidentiality of the information it believes to be confidential or proprietary in a motion for protective order, filed pursuant to Rule 4901:1-1-24 of the Ohio Administrative Code.
- VII. ***Commission Process for Certification Approval:*** An application for certification shall be made on forms approved and supplied by the Commission. The applicant shall complete the appropriate application form in its entirety and supply all required attachments, affidavits, and evidence of capability specified by the form at the time an application is filed. The Commission certification process begins when the Commission's Docketing Division receives and time/date stamps the application. An incomplete application may be suspended or rejected. An application that has been suspended as incomplete will cause delay in certification.

The Commission may approve, suspend, or deny an application within 30 days. If the Commission does not act within 30 days, the application is deemed automatically approved on the 31st day after the official filing date. If the Commission suspends the application, the Commission shall notify the applicant of the reasons for such suspension and may direct the applicant to furnish additional information. The Commission shall act to approve or deny a suspended application within 90 days of the date that the application was suspended. Upon Commission approval, the applicant shall receive notification of approval and a numbered certificate that specifies the service(s) for which the applicant is certified and the dates for which the certificate is valid.

Unless otherwise specified by the Commission, a retail natural gas broker/aggregator's certificate is valid for a period of two years, beginning and ending on the dates specified on the certificate. The applicant may renew its certificate in accordance with Rule 4901:1-27-09 of the Ohio Administrative Code.

Retail natural gas brokers/aggregators shall inform the Commission of any material change to the information supplied in a certification application within thirty (30) days of such material change in accordance with Rule 4901:1-27-10 of the Ohio Administrative Code.

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

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

IX. *Governing Law:* The certification of retail natural gas brokers/aggregators is governed by Chapter 4901:1-27 and 4901:1-29 of the Ohio Administrative Code, and Section 4929.20 of the Ohio Revised Code.



PUCO USE ONLY - Version 1.07		
Date Received	Case Number	Certification Number
	13-0322-GA AGG	- GA-AGG

CERTIFICATION APPLICATION COMPETITIVE RETAIL NATURAL GAS BROKERS /AGGREGATORS

Please type or print all required information. Identify all attachments with an exhibit label and title (*Example: Exhibit A-16 - Company History*). All attachments should bear the legal name of the Applicant. Applicants should file completed applications and all related correspondence with the Public Utilities Commission of Ohio, Docketing Division, 13th Floor, 180 East Broad Street, Columbus, Ohio 43215-3793.

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

SECTION A - APPLICANT INFORMATION AND SERVICES

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

☐ Retail Natural Gas Aggregator ☒ Retail Natural Gas Broker

A-2 Applicant information:

Legal Name Integrity Energy, LTD
Address 5711 Grant Ave Cleveland Ohio 44105
Telephone No. 216-502-4410 Web site Address www.integenergy.com

A-3 Applicant information under which applicant will do business in Ohio:

Name Integrity Energy
Address 5711 Grant Ave Cleveland Ohio 44105
Web site Address www.integenergy.com Telephone No. 216-502-4410

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

Integrity Energy

A-5 Contact person for regulatory or emergency matters:

Name Paul Nero Title CEO
Business Address 5711 Grant Ave Cleveland Ohio 44105
Telephone No. 216-502-4410 Fax No. 216-441-4923 Email Address pnero@integenergy.com

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

Name Mike Naughton Title President
Business address 5711 Grant Ave Cleveland Ohio 44105
Telephone No. 216-502-4410 Fax No. 216-441-4923 Email Address mnaughton@integenergy.com

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

Customer service address 5711 Grant Ave Cleveland Ohio 44105
Toll-Free Telephone No. 1-888-737-0590 Fax No. 1-800-926-8950 Email Address mnaughton@integenergy.com

A-8 Provide "Proof of an Ohio Office and Employee," in accordance with Section 4929.22 of the Ohio Revised Code, by listing name, Ohio office address, telephone number, and Web site address of the designated Ohio Employee

Name Paul Nero Title CEO
Business address 5711 Grant Ave Cleveland Ohio 44105
Telephone No. 216-502-4410 Fax No. 216-441-4923 Email Address pnero@integenergy.com

A-9 Applicant's federal employer identification number 27-2217792

A-10 Applicant's form of ownership: (Check one)

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

A-11 (Check all that apply) Identify each natural gas company service area in which the applicant is currently providing service or intends to provide service, including identification of each customer class that the applicant is currently serving or intends to serve, for example: *residential, small commercial, and/or large commercial/industrial (mercantile) customers*. (A mercantile customer, as defined in Section 4929.01(L)(1) of the Ohio Revised Code, means a customer that consumes, other than for residential use, more than 500,000 cubic feet of natural gas per year at a single location within the state or consumes natural gas, other than for residential use, as part of an undertaking having more than three locations within or outside of this state. In accordance with Section 4929.01(L)(2) of the Ohio Revised Code, "Mercantile customer" excludes a not-for-profit customer that consumes, other than for residential use, more than 500,000 cubic feet of natural gas per year at a single location within this state or consumes natural gas, other than for residential use, as part of an undertaking having more than three locations within or outside this state that has filed the necessary declaration with the Public Utilities Commission.)

<input checked="" type="checkbox"/> Columbia Gas of Ohio	<input type="checkbox"/> Residential	<input checked="" type="checkbox"/> Small Commercial	<input checked="" type="checkbox"/> Large Commercial / Industrial
<input checked="" type="checkbox"/> Dominion East Ohio	<input type="checkbox"/> Residential	<input checked="" type="checkbox"/> Small Commercial	<input checked="" type="checkbox"/> Large Commercial / Industrial
<input checked="" type="checkbox"/> Duke Energy Ohio	<input type="checkbox"/> Residential	<input checked="" type="checkbox"/> Small Commercial	<input checked="" type="checkbox"/> Large Commercial / Industrial
<input checked="" type="checkbox"/> Vectren Energy Delivery of Ohio	<input type="checkbox"/> Residential	<input checked="" type="checkbox"/> Small Commercial	<input checked="" type="checkbox"/> Large Commercial / Industrial

A-12 If applicant or an affiliated interest previously participated in any of Ohio's Natural Gas Choice Programs, for each service area and customer class, provide approximate start date(s) and/or end date(s) that the applicant began delivering and/or ended services.

☐ Columbia Gas of Ohio

<input type="checkbox"/> Residential	Beginning Date of Service	End Date
<input type="checkbox"/> Small Commercial	Beginning Date of Service	End Date
<input type="checkbox"/> Large Commercial	Beginning Date of Service	End Date
<input type="checkbox"/> Industrial	Beginning Date of Service	End Date

☐ Dominion East Ohio

<input type="checkbox"/> Residential	Beginning Date of Service	End Date
<input type="checkbox"/> Small Commercial	Beginning Date of Service	End Date
<input type="checkbox"/> Large Commercial	Beginning Date of Service	End Date
<input type="checkbox"/> Industrial	Beginning Date of Service	End Date

☐ Duke Energy Ohio

<input type="checkbox"/> Residential	Beginning Date of Service	End Date
<input type="checkbox"/> Small Commercial	Beginning Date of Service	End Date
<input type="checkbox"/> Large Commercial	Beginning Date of Service	End Date
<input type="checkbox"/> Industrial	Beginning Date of Service	End Date

☐ Vectren Energy Delivery of Ohio

<input type="checkbox"/> Residential	Beginning Date of Service	End Date
<input type="checkbox"/> Small Commercial	Beginning Date of Service	End Date
<input type="checkbox"/> Large Commercial	Beginning Date of Service	End Date
<input type="checkbox"/> Industrial	Beginning Date of Service	End Date

A-13 If not currently participating in any of Ohio's four Natural Gas Choice Programs, provide the approximate start date that the applicant proposes to begin delivering services:

<input checked="" type="checkbox"/>	Columbia Gas of Ohio	Intended Start Date	Upon acceptance of License
<input checked="" type="checkbox"/>	Dominion East Ohio	Intended Start Date	Upon acceptance of License
<input checked="" type="checkbox"/>	Duke Energy Ohio	Intended Start Date	Upon acceptance of License
<input checked="" type="checkbox"/>	Vectren Energy Delivery of Ohio	Intended Start Date	Upon acceptance of License

PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED.

- A-14 **Exhibit A-14 "Principal Officers, Directors & Partners,"** provide the names, titles, addresses and telephone numbers of the applicant's principal officers, directors, partners, or other similar officials.
- A-15 **Exhibit A-15 "Corporate Structure,"** provide a description of the applicant's corporate structure, including a graphical depiction of such structure, and a list of all affiliate and subsidiary companies that supply retail or wholesale natural gas or electricity to customers in North America.
- A-16 **Exhibit A-16 "Company History,"** provide a concise description of the applicant's company history and principal business interests.
- A-17 **Exhibit A-17 "Articles of Incorporation and Bylaws,"** if applicable, provide the articles of incorporation filed with the state or jurisdiction in which the applicant is incorporated and any amendments thereto.
- A-18 **Exhibit A-18 "Secretary of State,"** provide evidence that the applicant is currently registered with the Ohio Secretary of the State.

SECTION 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 current list of all jurisdictions in which the applicant or any affiliated interest of the applicant is, at the date of filing the application, certified, licensed, registered, or otherwise authorized to provide retail natural gas service, or retail/wholesale electric services.
- B-2 **Exhibit 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 4929.22 of the Revised Code and contained in Chapter 4901:1-29 of the Ohio Administrative Code.
- B-3 **Exhibit B-3 "Summary of Experience,"** provide a concise and current summary of the applicant's experience in providing the service(s) for which it is seeking to be certified to provide (e.g., number and types of customers served, utility service areas, volume of gas supplied, etc.).
- B-4 **Exhibit B-4 "Disclosure of Liabilities and Investigations,"** provide a description of all existing, pending or past rulings, judgments, 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.

- B-5 Exhibit B-5 "Disclosure of Consumer Protection Violations,"** 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 past five years.

☒ No ☐ Yes

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

- B-6 Exhibit B-6 "Disclosure of Certification Denial, Curtailment, Suspension, or Revocation,"** disclose whether the applicant or a predecessor of the applicant has had any certification, license, or application to provide retail natural gas or retail/wholesale electric service denied, curtailed, suspended, or revoked, or whether the applicant or predecessor has been terminated from any of Ohio's Natural Gas Choice programs, or been in default for failure to deliver natural gas.

☒ No ☐ Yes

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

SECTION C - APPLICANT FINANCIAL CAPABILITY AND EXPERIENCE

PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED

- C-1 Exhibit C-1 "Annual Reports,"** provide the two most recent Annual Reports to Shareholders. If applicant does not have annual reports, the applicant should provide similar information, labeled as Exhibit C-1, or indicate that Exhibit C-1 is not applicable and why.
- C-2 Exhibit C-2 "SEC Filings,"** provide the most recent 10-K/8-K Filings with the SEC. If applicant does not have such filings, it may submit those of its parent company. If the applicant does not have such filings, then the applicant may indicate in Exhibit C-2 whether the applicant is not required to file with the SEC and why.
- C-3 Exhibit C-3 "Financial Statements,"** provide copies of the applicant's two most recent years of audited financial statements (balance sheet, income statement, and cash flow statement). If audited financial statements are not available, provide officer-certified financial statements. If the applicant has not been in business long enough to satisfy this requirement, it shall file audited or officer-certified financial statements covering the life of the business.
- C-4 Exhibit C-4 "Financial Arrangements,"** provide copies of the applicant's current financial arrangements to conduct competitive retail natural gas service (CRNGS) as a business activity (e.g., guarantees, bank commitments, contractual arrangements, credit agreements, etc.)
- C-5 Exhibit C-5 "Forecasted Financial Statements,"** provide two years of forecasted financial statements (balance sheet, income statement, and cash flow statement) for the applicant's CRNGS operation, along with a list of assumptions, and the name, address, email address, and telephone number of the preparer.

Exhibit A-14 “Principal Officers, Directors & Partners” provide the names, titles, addresses and telephone numbers of the applicant’s principal officers, directors, partners, or other similar officials.

Paul Nero
Integrity Energy
C.E.O.
5711 Grant Ave
Cleveland Ohio 44105
216-502-4410
pnero@integenergy.com

Mike Naughton
Integrity Energy
President
5711 Grant Ave
Cleveland Ohio 44105
216-502-4409
Mnaughton@integenergy.com

Exhibit A-15 “Corporate Structure” provide a description of the applicant’s corporate structure, including a depiction of such nature, and a list of all affiliate and subsidiary companies that supply retail or wholesale electricity or natural gas to customers and companies that aggregate customers in North America.

Integrity Energy is an Ohio corporation that does not have any affiliations or subsidiary companies that supply retail or wholesale electricity or natural gas to customers that aggregate customers in North America.

Exhibit A-16 "Company History" provide a concise description of the applicant's company history and principal business interests.

Integrity Energy was formed in March of 2010 by Paul Nero and Mike Naughton. Currently Integrity Energy is licensed and provides energy consulting services in the following states: Connecticut (license # 10-04-18), Massachusetts (license # EB-164), Maine (license # 2010-315), Rhode Island (License # D-96-6), Pennsylvania (license # A-2010-2175245), Illinois (license # 10-0425), and Maryland (license # IR-1985).

Integrity Energy will provide energy consulting, planning, and management services to commercial clients that are interested in choosing an alternative gas supplier. We will be working with potential customers that reside in selected utility areas of Ohio. Our focus will be on small medium & large commercial customers. We will be marketing our services to customers that already use Integrity Energy at different locations throughout the US as well as new customers. We anticipate on marketing via telephone to a select group of commercial accounts that fit our desired customer class.

Exhibit A-17 "Articles of Incorporation and Bylaws," if applicable, provide the articles of incorporation filed with the state or jurisdiction in which the Applicant is incorporated and any amendments thereto.

See attached articles of incorporation and by laws in the following pages

CHRISTOPHER J. FREEMAN

ATTORNEY AT LAW - LLC
A LIMITED LIABILITY COMPANY

P.O. BOX 401

MEDINA, OHIO 44258-0401

TELEPHONE: (330) 722-7278 - FACSIMILE: (330) 722-7249

E-MAIL: CHRIS@CHRISFREEMANLAW.COM

March 18, 2010

Ohio Secretary of State
P.O. Box 670
Columbus, OH 43216

RE: Registration of Limited Liability Company

To Whom It May Concern:

Enclosed is my client's Articles of Organization of Limited Liability Company to be filed with your office. Please file this document. I also enclose my firm's check in the amount of \$125.00 for the filing fee required for this registration.

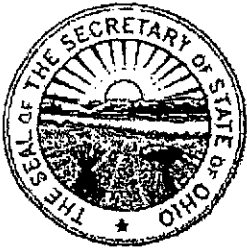
If you have any questions, please do not hesitate to contact me.

Very Truly Yours,

Christopher J. Freeman

Encl.

Christopher J. Freeman Attorney at Law, LLC Post Office Box 401 Medina, OH 44258-0401 (330) 722-7278		5380
3/18/10		
Ohio Secretary of State	\$125.00	
One Hundred twenty five & 00/100		
Christopher J. Freeman, authorized member		
FIFTH THIRD BANK		
Integrity Energy Ltd.		
5380		



Form 533A Prescribed by the:
Ohio Secretary of State

Central Ohio: (614) 466-3910
Toll Free: (877) SOS-FILE (767-3453)

www.sos.state.oh.us
Busserv@sos.state.oh.us

Expedite this form: (select one)
Mail form to one of the following:

☐ Expedite PO Box 1390
Columbus, OH 43216

*** Requires an additional fee of \$100 ***

☒ Non Expedite PO Box 670
Columbus, OH 43216

ARTICLES OF ORGANIZATION FOR A DOMESTIC
LIMITED LIABILITY COMPANY

Filing Fee: \$125.00

(CHECK ONLY ONE (1) BOX)

(1) <input checked="" type="checkbox"/> Articles of Organization for Domestic For-Profit Limited Liability Company (115-LCA) ORC 1705	(2) <input type="checkbox"/> Articles of Organization for Domestic Nonprofit Limited Liability Company (115-LCA) ORC 1705
--	--

Name of limited liability company

Integrity Energy, Ltd.

Name must include one of the following words or abbreviations: "limited liability company," "limited," "LLC," "L.L.C.," "Ltd.," or "Ltd"

Effective Date _____ (The legal existence of the limited liability company begins upon the filing
(Optional) mm/dd/yyyy of the articles or on a later date specified that is not more than ninety days
after filing)

This limited liability company shall exist for _____
(Optional) Period of Existence

Purpose
(Optional)

☐ Check here if additional provisions are attached

ORIGINAL APPOINTMENT OF AGENT

The undersigned authorized member(s), manager(s) or representative(s) of

Integrity Energy, Ltd.

Name of Limited Liability Company

hereby appoint the following to be Statutory Agent upon whom any process, notice or demand required or permitted by statute to be served upon the limited liability company may be served. The name and address of the agent is

Christopher J. Freeman

Name of Agent

PO Box 401

Mailing Address

Medina

City

Ohio

State

44258-0401

Zip Code

☒ If the agent is an individual and using a P.O. Box, check this box to certify the agent is an Ohio resident.

ACCEPTANCE OF APPOINTMENT

The undersigned, named herein as the statutory agent for

Integrity Energy, Ltd.

Name of Limited Liability Company

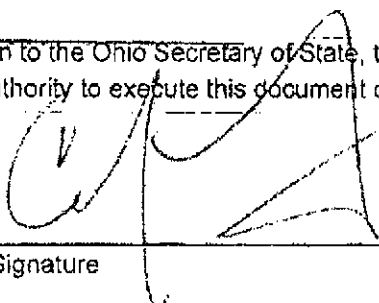
hereby acknowledges and accepts the appointment of agent for said limited liability company


Agent's Signature

By signing and submitting this form to the Ohio Secretary of State, the undersigned hereby certifies that he or she has the requisite authority to execute this document on behalf of the limited liability company identified above.

REQUIRED

Articles and original appointment of agent must be authenticated (signed) by a member, manager or other representative.



Signature
Christopher J. Freeman, Organizer

Print Name

3/18/10

Date

Signature

Date

Print Name

Signature

Date

Print Name

(See Instructions Below)

**EIN Assistant**

Your Progress:

1. Identity

2. Authenticate

3. Addresses

4. Details

5. EIN Confirmation

Congratulations! The EIN has been successfully assigned.

EIN Assigned: 27-2217792


Legal Name: INTEGRITY ENERGY LTD

The confirmation letter will be mailed to the applicant. This letter will be the applicant's official IRS notice and will contain important information regarding the EIN. Allow up to 4 weeks for the letter to arrive by mail.

We strongly recommend you print this page for your records.

Click "Continue" to get additional information about using the new EIN.

[Continue >>](#)**Help Topics**

 [Can the EIN be used before the confirmation letter is received?](#)

**EIN Assistant**

Your Progress: 1. Identity 2. Authenticate 3. Addresses 4. Details 5. EIN Confirmation

Summary of your information

Please review the information you are about to submit. If any of the information below is incorrect, you will need to [start a new application](#).

Click the "Submit" button at the bottom of the page to receive your EIN.

Organization Type: LLC**LLC Information**

Legal name:	INTEGRITY ENERGY LTD
County:	CUYAHOGA
State/Territory:	OH
Start date:	APRIL 2010
Closing month of accounting year:	DECEMBER (The closing month of the accounting year is defaulted to December due to your organization type. To change your closing month of accounting year, complete Form 1128 .)
State/Territory where articles of organization are (or will be) filed:	OH

Help Topics

[What is Form 1128?](#)

Addresses

Physical Location:	5711 GRANT AVE CLEVELAND OH 44105
Phone Number:	216-420-9700
TPD Name:	CHRISTOPHER FREEMAN
TPD Address:	46 PUBLIC SQ STE 200 MEDINA OH 44256
TPD Phone Number:	330-722-7278

Responsible Party

Name:	MICHAEL NAUGHTON MBR
SSN/ITIN:	XXX-XX-3731

Employee Information

Date wages or annuities will be paid:	APRIL 2010
Number of agricultural employees:	0
Number of other employees:	2
Tax Liability of \$1000 or less during calendar year:	NO

Principal Business Activity

What your business/organization does:	SERVICE
---------------------------------------	---------

Principal products/services: ENERGY SERVICE SALES

Additional LLC Information

Owens a 55,000 pounds or greater
highway motor vehicle:

NO

Involves gambling/wagering:

NO

Involves alcohol, tobacco or firearms:

NO

Files Form 720 (Quarterly
Federal Excise Tax Return):

NO

Has employees who receive Forms W-2:

YES

Reason for Applying:

STARTED A NEW BUSINESS

We strongly recommend you print this summary page for your records as this will be your only copy of the application. You will not be able to return to this page after you click the "Submit" button.

Click "Submit" to send your request and receive your EIN.

Once you submit,
please wait while your
application is being
processed. It can take
up to two minutes for
your application to be
processed.

**OPERATING AGREEMENT OF
INTEGRITY ENERGY, LTD.
An Ohio Limited Liability Company**

This Operating Agreement is made this 29th day of March, 2010, by and among **MICHAEL NAUGHTON** and **PAUL NERO**, referred to individually as the "Member" and collectively as the "Members" of **INTEGRITY ENERGY, LTD.**, an Ohio limited liability company (the "Company").

This Operating Agreement (the "Agreement") is intended to govern the relationship among the Members of this Company and between the Company and the Members, pursuant to the Ohio Limited Liability Company Act, as amended from time to time (the "Act").

THEREFORE, in consideration of their mutual promises, covenants, and agreements set forth below, the parties agree as follows:

Section 1

**TERM, PRINCIPAL PLACE OF BUSINESS, REGISTERED AGENT,
AND PERMITTED BUSINESS**

- 1.1 Name. The name of the Company is Integrity Energy, Ltd.
- 1.2 Organization. The Members have authorized the formation of the Company as an Ohio Limited Liability Company pursuant to the Act and have filed Articles of Organization (the "Articles") with the Ohio Secretary of State.
- 1.3 Principal Place of Business. The principal office of the Company is 5711 Grant Ave., Cleveland, Ohio 44105. The Company may locate its principal office, its place of business, and its registered office at any other place or places as the Members may from time to time deem advisable.
- 1.4 Registered Agent. The registered agent for the Company is Christopher J. Freeman (the "Agent") whose mailing address is Post Office Box 401, Medina, Ohio 44258-0401. The Managing Members may, from time to time, change the Agent by filing appropriate documents with the Ohio Secretary of State. If the registered agent ceases or fails to act, the Managing Member(s) shall designate a replacement Agent. The Managing Members shall file with the Ohio Secretary of State the documents required by the Act with respect to any change of the Agent of his address.
- 1.5 Term. The term of the Company shall be perpetual.
- 1.6 Purposes. The purpose of the Company shall be for general purposes, and the Company shall have full power and authority to take all actions and do all things, which may be necessary, convenient, useful, or incidental thereto or therefor.

1.7 Definitions.

- (a) "Act". The term "Act" means the Ohio Revised Code Chapter 1705 *et seq.*, as amended from time to time.
- (b) "Affiliate". The term "Affiliate" means any person controlling or controlled by or under common control with the Company, including, without limitation (i) a shareholder, partner, member, officer, director, or employee of the Company or any affiliate of the Company; (ii) a customer, supplier or other person who derives more than ten percent of its purchases or revenues from its activities with the Company or any affiliate of the Company, (iii) a person or other entity controlling or under common control with any such shareholder, partner, member, officer, director, employee, customer, supplier or other person; and (iv) a member of the immediate family of any such shareholder, partner, member, officer, director, employee, customer, supplier or other person.
- (c) "Agent". The term "Agent" shall mean the agent designated by the Company from time to time for service of process pursuant to Section 1705.06 of the Act.
- (d) "Agreement". The term "Agreement" means this Operating Agreement as amended from time to time.
- (e) "Articles of Organization" or "Articles". The "Articles of Organization" or "Articles" are those Articles of the Company as properly adopted and amended from time to time by the Members and filed with the Ohio Secretary of State pursuant to the Act.
- (f) "Bankrupt Member". A "Bankrupt Member" is one who: (i) has become the subject of a decree or order for relief under any bankruptcy, insolvency, or similar law affecting creditors' rights now existing or hereafter in effect; or (ii) has initiated, either in an original proceeding or by way of answer in any state insolvency or receivership proceeding, an action for liquidation, arrangement, composition, readjustment, dissolution, or similar relief.
- (g) "Capital Account". The term "Capital Account" means the amount of cash and fair market value of services or property that a Member has contributed to the Company as Capital Contributions pursuant to Section 5.3 hereof.
- (h) "Capital Contribution". A "Capital Contribution" is any contribution of cash, property or services to Company made by or on behalf of a Member pursuant to Section 5 hereof.
- (i) "Control". Control when used with respect to any specified person, means the possession, directly or indirectly, of the power to direct or cause the direction of management, policies, or activities of a person or entity, whether through the

ownership of voting securities, by contract or otherwise, and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

- (j) "Fiscal Year". The Company's Fiscal Year is its taxable year.
- (k) "Majority Vote". A "majority vote" of the Members shall mean that the Member or Members holding collectively more than one half (1/2) of the outstanding Membership Units have given their approval to a proposal.
- (l) "Member". A "Member" is any person who has signed this Agreement as a Member.
- (m) "Person". A "Person" means any individual, corporation, partnership, limited liability company, joint venture, association, joint stock company, trust (including any beneficiary thereof), unincorporated organization, or government or any agency or political subdivision thereof.

Section 2 ACCOUNTING AND RECORDS

- 2.1 Records to be Maintained. The Company shall maintain the following records at its principal office:
- (a) A current list of the full names, in alphabetical order, and last known business or residence address of each Member;
 - (b) Copies of the Articles of Organization, all amendments thereto, and executed copies of any powers of attorney pursuant to which the Articles or the amendments have been executed;
 - (c) Copies of this Agreement, all amendments hereto, and executed copies of any powers of attorney pursuant to which this Agreement and such amendments have been executed;
 - (d) Copies of the Company's federal, state, and local income tax returns and reports, for the three (3) most recent years;
 - (e) Copies of any financial statements of the Company for the three (3) most recent years; and
 - (f) Any other agreements or documents required by the Act or this Agreement.
- 2.2 Accounts. The Company shall maintain at its principal office appropriate books and records, kept in accordance with generally accepted accounting principles, and a record of the Capital Account for each Member in accordance with Section 5 of this Agreement. Each Member or its authorized representative(s) shall have the right to inspect and copy (at

such Member's own expense) any books, records, and financial reports of the Company during normal business hours for a legitimate purpose reasonably related to the Member's membership interest in the Company.

2.3 Separateness Covenants. In order to preserve and ensure its separate and distinct identity, in addition to the other provisions set forth in this Operating Agreement, the Company shall conduct its affairs in accordance with the following provisions:

- (a) The Company shall establish and maintain separate space office through which its business shall be conducted, or if office space is shared, shall allocate fairly and reasonably any overhead for shared office space.
- (b) The Company shall maintain books and records separately from those of any other person or entity.
- (c) The Company's members shall hold appropriate meetings (or act by unanimous consent) to authorize all appropriate limited liability company actions, and in authorizing such actions, shall observe all formalities required by its Operating Agreement, these Articles, and applicable law.
- (d) The Company shall not commingle its assets with those of any other entity and shall maintain its assets in a manner such that they are separately readily identifiable.
- (e) the Company shall maintain separate financial statements.
- (f) The Company shall pay its own liabilities out of its own funds, including salaries of any employees.
- (g) The Company shall maintain an arm's length relationship with its affiliates.
- (h) The Company shall not guarantee or become obligated for the debts of any other entity, or hold out its credit as being available to satisfy the obligations of others.
- (i) The Company shall not pledge its assets for the benefit of any other entity.
- (j) The Company shall not consensually merge or consolidate with any other entity.
- (k) The Company shall hold itself out as a separate entity and conduct its own business in its own name.

Exclusively for purpose of this Article 2.3, the following terms shall have the following meanings: "affiliate" means any person controlling or controlled by or under common control with the Company including, without limitation (i) any person who has a familial relationship, by blood, marriage or otherwise with any member or employee of the Company, or any affiliate thereof and (ii) any person which receives compensation for administrative, legal or accounting services from this Company, or any affiliate. For purposes of this definition, "control" when used with respect to

any specified person, means the power to direct the management and policies of such person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Person" means any individual, corporation, partnership, limited liability company, joint venture, association, joint stock company, trust (including any beneficiary thereof), unincorporated organization, or government or any agency or political subdivision thereof.

Section 3 MANAGEMENT OF THE COMPANY

3.1 Managers. The business and affairs of the Company shall be managed by either of two (2) Managers, those Managers shall be Paul Nero and Michael Naughton. The Managers shall direct, manage, and control the Company's business to the best of their ability, and so long as the decision or matter in question has ramifications under Five Thousand and no/100 Dollars (\$5,000.00), each Manager, without the authorization or consent of the other, shall have full and complete authority, power, and direction to make any such decision and do all things which either Manager deem necessary or desirable for that purpose. However, if the decision or matter in question has financial ramifications in excess of Five Thousand and no/100 Dollars (\$5,000.00), both Managers must consent to or grant authorization to the other Manager before either Manager has the power to make any such decision or resolve any matter.

3.2 Duties of Manager. The Managers of the Company shall perform their duties as the Managers in good faith, in a manner they reasonably believe to be in the best interest of the Company, and with such care as an ordinary prudent person in a like position would use under similar circumstances. In performing their duties, the Managers shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by persons and groups listed in paragraphs (a) and (b) of this Section 3.2; but shall not be considered to be acting in good faith if they have knowledge concerning the matter in question that would cause such reliance to be unwarranted. Persons who so perform their duties shall not have any liability by reason of being or having been a Manager of the Company.

These persons and groups upon whose information, opinions, reports, and statements a Manager is entitled to rely upon are:

- (a) One or more employees or other agents of the Company whom the Managers reasonably believe to be reliable and competent in the matters present; and
- (b) Counsel, public accountants, or other persons as to matters, which the Managers reasonably believe to be within such person's professional or expert competence.

3.3 Certain Powers of Managers. Without limiting the generality of Section 3.1 and 3.2 of this Agreement, the Managers shall have the following authority when acting on behalf of the Company;

- (a) To purchase liability and other insurance to protect the Company's property and business;
- (b) To hold and own any Company real and/or personal properties in the name of the Company;
- (c) To invest Company's funds temporarily (by way of example but not limitations) in short term governmental obligations, commercial paper, or other investments having a prudently obtainable yield;
- (d) To execute on behalf of the Company all instruments and documents, including, without limitation, checks, drafts, notes, and other negotiable instruments; deeds, mortgages, security agreements; financing statements; documents providing for the acquisition, mortgage, or disposition of the Company's property; assignment; bills of sale; leases; partnership agreement; and any other instrument or document necessary, in the opinion of the Managers to the business of the Company;
- (e) To maintain reserves for the purpose of paying property taxes, mortgage installments, lease payments, and any and all other types of costs or expenses as required or desired by the Managers;
- (f) To employ accountants, legal counsel, managing agents, or other experts to perform services for the Company, and to compensate them from Company funds;
- (g) To contract with themselves or other persons or entities whether or not affiliated with any Manager, or Management, for consulting or other services;
- (h) To enter into any and all other agreements on behalf of the Company, with any other person or entity for any purpose; and
- (i) To do and perform all other acts as may be necessary or appropriate to the conduct of the Company's business, including paying the fees and expenses described in this Agreement and delegating duties and authority to others when deemed necessary or appropriate.

3.4 Number and Tenure of the Manager. At no time shall there be more than two (2) Managers of the Company. The Managers shall hold office for the duration of the term of the Company. However, a Manager may be terminated by the unanimous written

affirmative consent of the Members. In addition, a Manager may be appointed by the unanimous written affirmative consent of the Members.

- 3.5 Liability and Indemnity of the Managers. The Managers shall be indemnified by the Company to the fullest extent permitted by the Act.
- 3.6 Other Business Interests of the Managers. The Managers may have other business interests and may engage in any other business, trade, or employment and shall not be obligated to devote more time and attention to the conduct of the business of the Company than shall be required for the supervision of the ownership, operation, and management of the Company's property.
- 3.7 Submission of Matters to Arbitration. Any and all provisions in the Act which require the consent of all Members or all Managers in order to submit a claim or liability of the Company for arbitration or reference shall be inapplicable, and are hereby nullified and reversed, for this Company.

Section 4 MEMBERS

- 4.1 Members. The Members of this Company shall be those parties who have signed this Agreement as Members.
- 4.2 Liability of Members. No Member shall be liable as such for the liabilities of the Company. The failure of the Company to observe any formalities or requirements relating to the exercise of its powers or management of its business or affairs under this Agreement or the Act shall not be grounds for imposing personal liability on the Members for liabilities of the Company.
- 4.3 Conflicts of Interest. Each Member may have other business interests and may engage in any other business, trade, or employment and shall not be obligated to devote more time and attention to the conduct of the business of the Company than shall be required for the supervision of the ownership, operation, and management of the Company's business and property. Neither the Company nor any Member shall have any right by virtue of this Agreement to share or participate in such other transactions.
- No transaction with the Company shall be void or voidable solely because a Member has a direct or indirect interest therein, so long as the material facts of the transaction and the Member's interest in the transaction are disclosed to all Members.
- 4.4 Meetings of the Members. An annual meeting of the Members shall be held at such time on such day as shall be fixed by the Members for the purpose of transacting such business as may come before the meeting. The first annual meeting of the Members shall be held in May, 2004, at the principal office of the Company. Notwithstanding the foregoing, failure to hold any such meeting will not be grounds for dissolution of the Company. Special meetings of the Members, for any purpose, unless otherwise prescribed by statute, may be

called by any Member. The Members shall designate any place as the place of the meeting for any annual or special meeting. If no designation is made, the place of meeting shall be the principal office of the Company.

- 4.5 Notice of Meeting. Written notice stating the place, day, and hour of the meeting of Members and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than seven (7) nor more than fifty (50) days before the date of the meeting, either personally or by mail, to each Member of record entitled to vote at such meeting. A Member may waive prior notice by attending the meeting or by executing a written waiver of notice before or after the meeting.
- 4.6 Meeting of All Members. If all of the Members shall meet at any time and place and consent to the holding of a meeting at such time and place, such meeting shall be valid without call or notice, and at such meeting any action of the Members may be taken.
- 4.7 Proxies. Any Member may, by instrument in writing signed by such Member or by his/her duly authorized attorney, or by the President, Vice President, or the Secretary of a corporate Member, or by the chief executive or a duly authorized representative of any Member which is not a natural person, authorize any other person or persons (and no such person need be a Member), to vote and otherwise act for such Member at any meeting of Members. Every such instrument shall, before the person authorized thereby shall vote or act there under, be presented at the meeting.
- 4.8 Action in Writing Without a Meeting. Any action which may be taken at a meeting of the Members may be taken without a meeting, if authorized in writing by all Members.
- 4.9 Indemnification of Members. The Company's obligation to indemnify its Members shall be fully subordinated to any obligations respecting the Property and shall not constitute a claim against the Company in the event that cash flow in excess of amounts required to pay holders of any debt pertaining to the Property is insufficient to pay such obligations.

Section 5 CONTRIBUTIONS

- 5.1 Initial Contributions. Each Member shall make the capital contribution in the amount set forth opposite the Member's name on the attached Exhibit "A".
- 5.2 Additional Contributions. No Member shall be obligated to make additional contributions. No Member shall be permitted to make additional contributions without the unanimous consent of all Members and the agreement of all Members as to the effect, if any, of such additional contribution on the number of Membership Units of each Member.
- 5.3 Capital Accounts. A separate capital account ("Capital Account") will be maintained for each Member in accordance with Section 704(b) of the Internal Revenue Code and applicable Treasury Regulations.

- 5.3.1 Each Member's Capital Account will be increased by (a) the amount of money contributed by such Member to the Company; (b) the fair market value of property contributed by such Member to the Company (net of liability secured by such contributed property that the Company is considered to assume or take subject to under Section 752 of the Internal Revenue Code); (c) allocations to such Member of Company income and gains; and (d) allocations to such Member of income described in Section 705(a)(1) and (b) of the Internal Revenue Code.
- 5.3.2 Each Member's Capital Account will be decreased by (a) the amount of money distributed to such Member by the Company; (b) the fair market value of property distributed to such Member by the Company (net of liabilities secured by such distributed property that the Member is considered to assume or take subject to under Section 752 of the Internal Revenue Code); (c) allocations to such Member of expenditures described in Section 705(a)(2) and (b) of the Internal Revenue Code; and (d) allocations to the account of such Member of Company loss and deductions as set forth in such Treasury Regulations, taking into account adjustments to reflect book value.
- 5.3.3 The manner in which the Capital Accounts are to be maintained pursuant to this Section 5 is intended to comply with the requirements of Internal Revenue Code Section 704(b) and the Treasury Regulations promulgated there under. If the manner in which Capital Accounts are to be maintained pursuant to the proceeding provisions of this Section 5.3 should be modified in order to comply with Internal Revenue Code Section 704(b) and the Treasury Regulations there under, then, notwithstanding anything to the contrary contained in the preceding provisions of this Section 5.3, the Members may alter the method in which Capital Accounts are maintained, and this Agreement shall be amended to reflect any such change in the manner in which Capital Accounts are maintained; *provided, however*, that any change in the manner of maintaining Capital Accounts shall not materially alter the economic agreement between or among the Members.
- 5.3.4 Capital Accounts shall not bear interest.

Section 6 ALLOCATIONS AND DISTRIBUTIONS

- 6.1 Membership Units. The Company shall consist of one hundred (100) units of membership interest ("Membership Units"). Each Member shall initially have those Units set forth opposite the Member's name on Exhibit A. Each Member is entitled to one vote per Membership Unit owned.
- 6.2 Allocation of Taxable Items. The determination of each Member's distributive share of all tax-related items, including income, gain, loss, deduction, credit, or allowance of the Company, for any period or year shall be made in accordance with, and in proportion to, such Member's proportion of Membership Units to the total number of Membership Units.

- 6.3 Distributions. Distributions may be declared on an annual basis by the Managers based on Membership Units. Distributions in anticipation of an event of dissolution or subsequent to an event of dissolution shall be made as provided in Section 12. All other distributions shall be allocated in proportion to Membership Units.

Section 7 DISTRIBUTIONS IN KIND

Regardless of the nature of a Member's contribution, no Member has the right to demand and receive any distribution from the Company in any form other than cash.

Section 8 MEMBERSHIP INTEREST AND MEMBERSHIP RIGHTS OF A DECEASED, INCOMPETENT, OR DISSOLVED MEMBER

If a Member who is an individual is adjudicated by a court of competent jurisdiction to be incompetent to manage his person or property, the Member's executor, administrator, guardian, conservator, or other legal representative may receive the benefits of the Member's Membership Interest for the purpose of administering the Member's property. If the Member is a corporation, trust, partnership, limited liability company, or other entity and is dissolved or terminated, the powers of that Member may be exercised by its legal representative or successor.

Section 9 TRANSFER OF MEMBERSHIP UNITS

- 9.1 Transfer of Membership Units. No Member shall sell, hypothecate, pledge, assign, or otherwise transfer Membership Units to a person which is not a Member of the Company, which is not wholly owned by a Member, or which is not under identical control with a Member, without first complying with the terms of this Section:

ARTICLE 1. RESTRICTION ON TRANSFER OF MEMBERSHIP UNITS

1.01 General. The Members of the Company executing this Amended and Restated Operating Agreement shall, for this Article on the Restriction of Transfer of Membership Units, be jointly referred to as the "Unit Holders," with respect to all of the issued and outstanding ownership interests of the Company (which shall, for the purposes of this Article, be referred to as "Membership Units") presently or hereafter owned by the Unit Holders or by any other party which may hereafter assume the status of a "Unit Holder" hereunder.

1.02 Restriction. No Unit Holder shall, while alive, sell, assign, transfer, pledge, hypothecate, encumber, or otherwise dispose of any of his Membership Units of the Company which he may now own or later acquire unless such Unit Holder shall first offer the Membership Units to the Company and to the other Unit Holders in accordance with the terms of Article 1.03. The foregoing restrictions on transfer shall act to prohibit transfers of the

Membership Units by gift, will or otherwise if no consideration is paid, promised or given in connection with the transfer.

1.03 Right of Company and Unit Holders to Purchase.

(a) For purposes of this Agreement "proposed disposition" shall mean: when a Unit Holder shall at any time desire to sell, assign, transfer, or otherwise dispose of any of the Membership Units, or in the event of any involuntary transfer, transfer by operation of law, or other transfer of any Membership Units, or of any right or interest in a Membership unit. A Unit Holder shall give written notice of any proposed disposition to the Company and to the other Unit Holders. The notice shall specify the following information:

- i. the number of Membership Units;
- ii. the price;
- iii. the terms of the proposed disposition;
- iv. the name and address of the proposed purchaser or transferee.

Following receipt of such notice, the Company shall have thirty (30) days within which to give notice of its intention to purchase the number of Membership Units under the proposed disposition, in the manner, at the price, and upon the terms provided in Article 2. In the event the Company fails or declines to exercise its right to purchase the Membership Units under the proposed disposition, the other Unit Holders shall have thirty (30) days after expiration of the Company's thirty (30) day period to give notice of their intention to purchase the Membership Units under the proposed disposition in the manner, at the price, and upon the terms provided in Article 2. If more than one Unit Holder wishes to purchase the Membership Units under the proposed disposition, then each Unit Holder wishing to purchase shall be entitled to purchase that percentage of the offered Membership Units determined by dividing the number of Membership Units owned by the Unit Holder by the total number of Membership Units owned by all Unit Holders wishing to purchase. If any Membership Units remain un-purchased after all of the Unit Holders desiring to purchase Membership Units have purchased all of the Membership Units which they wish or are entitled to purchase under Article 1.03(a), then any Unit Holder who has purchased the maximum number of Membership Units which he was entitled to purchase, shall have the right to purchase the remaining un-purchased Membership Units. Once again, if more than one Unit Holder wishes to purchase the remaining Membership Units, such Unit Holders shall be entitled to purchase in such proportion as the Unit Holders desiring to purchase shall mutually agree or, absent agreement, in that proportion of the Unit Holder's Membership unit ownership as described above in this Article 1.03(a).

In the event the Company and the Unit Holders fail or decline to exercise their rights to purchase the Membership Units under Article 1.03(a), then such

Membership Units may be sold or transferred, but only to the proposed purchaser or transferee and only for the price and upon terms no lower or more favorable than those specified in the Unit Holder's notice. Any proposed disposition to another purchaser or transferee at a new price or upon different terms shall require the Unit Holder's Membership Units to again be subject to the rights of the Company and the Unit Holders set forth in this Article 1.03.

1.04 Continuation of Restrictions. The restrictions set forth in this Agreement with respect to the Membership Units shall apply to the Membership Units regardless of how the Membership Units shall be acquired by any transferee thereof. The Company may require, as a condition of any transfer, that the transferee execute a document agreeing to be bound by this Agreement with respect to all of the Membership Units held by such transferee.

1.05 Transfer and Violation of this Agreement. Any transfer or attempt to sell, transfer, assign or otherwise dispose of any of the Membership Units other than in accordance with the terms herein contained shall be void and of no effect and each and every Membership unit so transferred or attempted to be transferred shall remain subject to purchase at any time by the Company, or any Unit Holder whose rights hereunder were violated by such transfer, in accordance with the terms of this Agreement.

ARTICLE 2. DETERMINATION AND PAYMENT OF PURCHASE PRICE ON INTER VIVOS TRANSFER

2.01 Purchase Price. The purchase price (the "Purchase Price") for Membership Units purchased under Article 1.03 shall be equal to the price offered in the proposed disposition.

2.02 Terms of Purchase. The Purchase Price shall be paid at the Closing in cash or, if more favorable terms are offered in the proposed disposition, then in accordance with such terms.

2.03 Closing. The closing (the "Closing") shall take place at the offices of the Company. The Members shall designate the Closing Date to occur within sixty (60) days after the Company or the purchasing Unit Holder(s), as the case may be, shall have given notice of exercise of their right to purchase.

ARTICLE 3. DETERMINATION OF PRICE FOR PURCHASE PRICE ON DEATH OR DISABILITY

3.01 Notwithstanding any other provision of this Agreement, the Unit Holders agree that in the event of the death or disability (defined to mean the inability of a Member to perform his daily work activities and duties) of Paul Nero, Nero's Membership Units shall be sold to and purchased by Michael Naughton. The Unit Holders agree that in the event of the death or disability of

Michael Naughton, Naughton's Membership Units shall be sold to and purchased by Nero. The price and terms for the sale and purchase of said Membership Units pursuant to this paragraph 3.01 shall be as determined in this Article 3 and Article 4.

3.02 It is agreed that the current value of each Unit Holder's interest is as follows:

<u>Name</u>	<u>Amount</u>
Paul Nero	\$ _____
Michael Naughton	\$ _____

The Unit Holders agree to re-determine these values within thirty (30) days following the last day of January of each year. These re-determined values will be signed by the Unit Holders and attached to and made a part of this agreement.

If the Unit Holders do not make such a re-determination for any six (6) month period, the last previously stipulated value will control, except that if the Unit Holders fail to make a re-determination for any six month period and death or disability occurs or a six-month period of disability is completed more than two months after the due date of the re-determination, then the purchase price will be the deceased or disabled Unit Holder's capital account as shown on the books of the Company at the beginning of the fiscal year in which the Unit Holder's death or disability occurred or in which a six-month period of total disability was completed, adjusted as follows: The capital account will be increased or decreased by the deceased or disabled Unit Holder's share of Company profits or losses from the beginning of the Company year to the date of death or completion of a six-month period of disability, and decreased by the deceased or disabled Unit Holder's withdrawals during that period. In addition, the deceased or disabled Unit Holder's capital account will be increased or decreased by his or her share of the excess or deficiency of the book value of inventories from the beginning of the Company year in question to the date of the Unit Holder's death or completion of a six-month period of disability. In addition, the value of the Unit Holder's capital account will be increased by twenty-five percent (25%) to represent his or her share of goodwill, trade name and other intangible assets.

ARTICLE 4. PAYMENT FOR PURCHASE PRICE ON DEATH OR DISABILITY

4.01 Purchase Price. Payment for the deceased or disabled Unit Holder's interest will be made by payment of fifty percent (50%) of the price in cash within sixty (60) days after the date of purchase and twenty five percent (25%) in each of the two (2) following calendar years on the day following the anniversary of the first payment of the unpaid balance. All unpaid amounts must be evidenced by non-negotiable promissory notes bearing annual interest at the

Prime Rate (as published by the Federal Reserve Board, the same being set as of 4.0% as of November 1, 2003), plus interest at 1.5%, until paid.

4.02 Insurance. To insure or partially insure the obligations under this agreement to purchase from the estate of a deceased or disabled Unit Holder the Membership Units owned by such Unit Holder prior to his death or disability, the Company may purchase and continue in force by timely payment of premiums, the policies of insurance covering the lives (or disability) of each of the Unit Holders. If such policies are purchased, the same shall be summarized on the list which is attached as Exhibit "B" and incorporated by reference. In the event that the Company purchases insurance and, thereafter, any Unit Holder ceases to be a Unit Holder of the Company or reduces his or her holdings of the Units of the Company, by voluntary transfer or otherwise, the Company shall, as appropriate, terminate or procure a proportionate reduction in the face amount of insurance outstanding on the life (or disability) of such Unit Holder, and in the event any Unit Holder increases his or her holdings of the Units of the Company, the Company shall procure and maintain additional insurance on the life (or disability) of such Unit Holder proportionate to the increase in the holding of such Unit Holder.

ARTICLE 5. DETERMINATION OF PRICE FOR PURCHASE PRICE ON VOLUNTARY RETIREMENT

Should any Member desire to voluntarily retire from the Company while alive (and not disabled), the non-retiring Unit Holder(s) shall purchase the Membership Units from the retiring Member upon the terms set forth in Article 4.1, above. Each non-retiring Member shall have the right and opportunity to purchase Membership Units from the retiring Member in proportion to that non-retiring Members' ownership interest in the Company.

ARTICLE 6. ADMINISTRATIVE MATTERS

6.01 Unit Transfer Record. The Company shall maintain a record book in which shall be recorded the name and address of each Unit Holder. No transfer or issuance of any Membership Units shall be effective or valid unless and until recorded in such Company records book. The Company shall not record any transfer or issuance of Membership Units in such Company records book unless the transfer or issuance is in strict compliance with all of the provisions of this Agreement.

6.02 Endorsement of Certificates. Each certificate representing Membership Units (if any of the same are issued) now or hereafter held under this Agreement shall bear a statement in substantially the following form:

The encumbering, transfer or other disposition of the Membership Units evidenced by the within Certificate is restricted under the terms of Section 9.1 of the Amended and Restated Operating Agreement of the Company, Restriction On Transfer Of

Membership Units, the same being entered into by and among the Company and certain of its Unit Holders, a copy of which agreement is on file at the principal office of the Company. The Company will mail, without charge, to any Unit Holder of the Company, a copy of the aforesaid Agreement and any amendments thereto within five (5) days after receipt of written request therefor.

Each Unit Holder shall promptly deliver to the Managers of the Company all certificates representing his Membership Units. The Secretary of the Company (or the Managers, if no Secretary) shall thereupon endorse such certificates, as aforesaid, and return the same to the Unit Holder.

6.03 Agreements of Company. Except as otherwise provided in this Agreement, the Company, for and on behalf of itself and its successors and assigns, agrees that: (a) it shall not issue, transfer or reissue any of the Membership Units in violation of the provisions of this Agreement; and (b) all certificates representing Membership Units shall bear an endorsement in substantially the form specified in Article 6.02 of this Agreement.

6.04 Specific Performance. The parties to this Agreement acknowledge that: (A) the Membership Units are unique; (B) failure to perform the obligations provided by this Agreement will result in irreparable damage; and (C) specific performance of these obligations may be enforced by a suit in equity, but without thereby causing a waiver of any other available remedy at law or in equity.

9.2 Effect of Proposed Transfer.

9.2.1 Dissolution Under Section 12. Unless either:

- (a) The non-transferring Members shall purchase the Membership Units of the transferring Member in accordance with their rights set forth in this Section 9.1 of this Agreement, above, or as otherwise may be agreed by all of the Members (including the transferring Member); or
- (b) The non-transferring Members all agree in writing to admit the proposed non-Member transferee as a full substitute Member of the Company, with all of the economic, management, and voting rights afforded to Members;

then there shall have been caused a dissolution of the Company, the Membership Units of the transferring Member shall not be assigned, and the provisions of Section 12 of this Agreement, below, shall be followed.

9.2.2 Purchase or Admission of Substitute Member. In the event that the non-transferring Members purchase the Membership Units of the transferring Member under Section 9.1 of this Agreement, above, or otherwise, or in the event that within the Option

Period all non-transferring Members agree in writing to admit the proposed non-Member transferee as a full substitute Member of the Company, then:

- (a) In either case, unless otherwise required by law, a dissolution of the Company shall not result, the non-transferring Member(s) shall be deemed to have agreed unanimously to continue the Company, and the provisions of Section 12 of this Agreement, below, shall not apply; and
- (b) in all events the transferring Member: (i) shall cease to be a Member of the Company; (ii) shall have no further interest in the Company or right to receive a return of the Member's Capital Contribution(s), any Distribution, or any other payment from the Company; and (iii) shall have no further obligations under this Agreement.

- 9.3 Substitution of a Member. In the event that the foregoing provisions of this Section 9 are for any reason ineffective to prevent the transfer of Membership Units to a non-Member transferee unless approved for admission as a full substitute Member by all non-transferring Members, the transferring Member shall not participate in the profits of the Company after the date of transfer, and the non-Member transferee shall only be considered to have received a transfer of the right to participate in the profits of the Company and not a transfer of the right to participate in the voting of the Company. A person who holds Membership Units may only be granted the non-economic rights afforded to Members by this Agreement, including the power to vote, upon the unanimous consent of the Members. Following such a consent, the transferring Member shall be relieved of all obligations under this Agreement.

Section 10 TAXES

- 10.1 Tax Matters Member. Michael Naughton shall serve as the "tax matters partner" of the Company pursuant to Section 6231(a)(7) of the Internal Revenue Code.

Section 11 DISSOCIATION OF A MEMBER

- 11.1 Dissociation. A person ceases to be a Member upon the happening of any of the following events of withdrawal:
- (a) The expulsion of a Member pursuant to Section 11.2 of this Agreement, below;
 - (b) The Member assigns its interest to a non-Member transferee pursuant to Section 9 of this Agreement, above;
 - (c) A Member becomes a Bankrupt Member;

- (d) In the case of a Member who is a natural person, the adjudication of incompetency of the Member;
 - (e) The dissolution and winding up of a Member which is a limited liability company, a partnership, a limited partnership, or a partnership with limited liability; the filing of a certificate of dissolution (or its equivalent) for a corporation if the Member is a corporation; the revocation of the charter, the articles, or other authority by which an entity exists under the law of the jurisdiction where the entity was formed or exists, if the Member is not a natural person; or the termination or lapse of the existence of an entity by any other means if the Member is not a natural person;
 - (f) In the case of a Member acting as a Member by virtue of being a trustee of a trust, the termination of the trust (but not merely the substitution of a new trustee); or
 - (g) In the case of a Member that is an estate, the settling of the estate.
- 11.2 Expulsion of a Member. A Member may be expelled from the Company if such Member commits a breach of a material provision of this Agreement, which breach is not cured within thirty (30) days of notice thereof.
- 11.3 Rights of Dissociating Member. Subject to the provisions of Section 9, above, and except for disassociation as a result of the assignment of interest pursuant to Section 11.1(b) above, if any Member dissociates prior to the dissolution and winding up of the Company, the Member shall be entitled to participate in the winding up of the Company to the same extent as any other Member, except that any Distributions to which the Member would have been entitled shall be reduced by the damages sustained by the Company as a result of the dissolution and winding up.

Section 12 DISSOLUTION AND WINDING UP

- 12.1 Dissolution. Pursuant to the Act, the following events shall cause a dissolution of the Company:
- (a) Expiration of the term of existence of the Company as set forth in the Articles and the Agreement, unless the business of the Company is continued with the written consent of a Majority-in-interest of the remaining Members;
 - (b) Unanimous written consent of the Members;
 - (c) The Dissociation of any Member, except as provided in Section 9 of this Agreement, unless the business of the Company is continued with the written consent of a Majority-in-interest of the remaining Members;
 - (d) Judicial decree of dissolution;

- (e) Any other event which is required to cause dissolution under the Act.

Except as provided in Section 12.4 of this Agreement, below, as soon as possible following the occurrence of any of the events specified in this Section 12.1 which effect the dissolution of the Company, an appropriate representative of the Company shall execute and file with the Secretary of State of Ohio a certificate of dissolution containing the information required by the Act.

Notwithstanding the foregoing, to the extent permissible under applicable federal and state tax law, the vote of a majority-in-interest of the remaining members shall be sufficient to continue the life of the Company.

- 12.2 Continuance of Company Following Dissociation. Except for disassociation as a result of the assignment of interest pursuant to Section 11.1(b), above, upon the Dissociation of a Member, if a Majority-in-interest of the remaining Members elect under 12.1(c) to continue the business of the Company, then the Dissociated Member's Units, at the unanimous election of the Dissociated Member's representative and the remaining Members, may be transferred to the Dissociated Member's family or beneficiaries. If the Dissociated Member's representative and remaining Members do not elect to transfer said Units to the Dissociated Member's Family or beneficiaries, then the Dissociated Member's Units may be purchased by the remaining Members in proportion to their percentage of their Member Units or in such other proportions as they may unanimously determine. If a dissociation occurs as a result of the transfer of the Member's ownership interest in the Company pursuant to Section 11.1(b), above, that Member shall, upon the purchase of his ownership interests and notwithstanding any other provision of this Agreement, have no further rights or interests in the Company or the operation of the same under this Agreement.

- 12.3 Purchase Price. The price to be paid for such disassociated Member's Units hereunder (and, as is stated above, except for disassociation as a result of the assignment or transfer of ownership interest pursuant to Section 11.1(b), above) may be determined by the unanimous consent of the remaining Members and the dissociated Member or his legal representative, if unanimous consent can not be achieved, then the price to be paid for such disassociated Member's Units hereunder shall equal the capital account balance of such disassociated Member's interest as of the last day of the month ("valuation date") immediately prior to the date of the event of dissociation, adjusted by the difference between the fair market value and net book value of any real estate owned by the Company. The Fair Market Value of any real estate owned by the Company shall be determined by appraisal in accordance with the following procedure:

- (a) The dissociated Member or his legal representative and the remaining Members, collectively, shall each appoint an independent appraiser, each of whose shall independently determine the fair market value of the real estate in writing. Each party shall pay the fees of its appraiser.

- (b) If there is not more than a five percent (5%) variance between the appraised values determined under sub paragraph (a) above, the average of the two values shall be the fair market value of the real estate.
- (c) If there is more than a five percent (5%) variance between the appraised value determined under Sub paragraph (a) above, the appraisers appointed by the parties shall select another independent appraiser who shall proceed to appraise the real estate in writing. The parties hereto shall share the cost of the third appraiser equally. The three (3) appraised values shall then be compared and the two (2) values bearing the closest monetary relationship to one another shall be averaged. The resulting amount shall be the fair market value of the real estate. If the third appraiser's value is exactly, to the penny, in between the first two (2) appraised values, then the third appraiser's value shall be the fair market value of the real estate.
- (d) All appraisers appointed hereunder shall be required to be members of the Appraisal Institute (an M.A.I.) or the Society of Real Estate Appraisers (S.R.E.A.).

12.3.1 Payment of Purchase Price. The purchase price due from each remaining Member shall be paid by such remaining Member to the dissociated Member or the dissociated Member's legal representative as follows: Not less than twenty percent (20%) of the Purchase Price in cash, at closing, which shall be One Hundred Eighty (180) days following the effective date of the dissociation; Any balance shall be paid by the remaining Member's execution and delivery of a negotiable Promissory Note dated as of the date of closing, in the principal amount of the balance due of the Purchase Price, and payable with interest at the Prime Rate (as published by the Federal Reserve Board, the same being set as of 4.0% as of November 1, 2003), plus interest at 1.5%, to the order of the dissociated Member or to the dissociated Member's personal representative calling for five (5) equal annual payments commencing one (1) year from the date of the cash down payment. The promissory note shall recite that the entire balance shall become due at the option of the holder if all or any part of the amount due on the note remains unpaid for thirty (30) days after the date on which it becomes due by its terms.

12.4 Winding Up. Upon an event of dissolution without agreement to continue the existence of the Company pursuant to Section 12.1(a) or 12.1(c), the Members shall wind up all of the Company's affairs and proceed to liquidate all of the Company's assets as promptly as is consistent with obtaining their fair value; *provided, however*, that the Company may continue its business operations for a period of up to six (6) months while searching for one or more suitable buyers in order to preserve the value of the Company as a going concern and in order to produce revenues. No Member shall be ineligible to purchase any part or all of the assets of the Company solely due to such person's status as a Member.

Upon liquidation the Company's property and cash shall be distributed as follows:

- (a) First, to the creditors of the Company, including Members who are creditors, to the extent permitted by law, in satisfaction of liabilities of the Company;

- (b) To Members (including withdrawing Members, if applicable) in accordance with positive Capital Account balances taking into account all Capital Account adjustments for the Company's taxable year in which the liquidation occurs. Liquidation proceeds shall be paid within 60 days of the end of the Company's taxable year or, if later, within 90 days after the date of liquidation. Such Distributions shall be in cash or property (which need not be distributed proportionately) or partly in both, as determined by the Members.

The winding up of the Company shall be completed when all debts, liabilities, and obligations of the Company have been paid and discharged or reasonably adequate provision therefor has been made, and all of the remaining property and assets of the Company have been distributed to the Members.

Upon dissolution, each Member (including withdrawing Members) shall look solely to the assets of the Company for return of that Member's Capital Contribution. If the Company property remaining after the payment or discharge of the debts and liabilities of the Company is insufficient to return the cash contribution of each Member, no Member shall have recourse against any other Member.

Section 13 GOVERNING LAW

All questions with respect to the construction of this Agreement and the rights, duties, obligations, and liabilities of the parties shall be determined in accordance with the Act and all other applicable provisions of the laws of the State of Ohio.

Section 14 MISCELLANEOUS PROVISIONS

- 14.1 Entire Agreement. This Agreement and the Articles represent the entire agreement among the Members.
- 14.2 Amendment or Modification of Agreement. This Agreement may be amended or modified from time to time by a written instrument approved by all of the Members.
- 14.3 Rights of Creditors and Third Parties under this Agreement. This Agreement is entered into among the Members for the exclusive benefit of the Company, its Members, and their successors and assignees. This Agreement is expressly not intended for the benefit of any creditor of the Company or any other Person. Except and only to the extent provided by applicable statute, no creditor or third party shall have any rights under this Agreement or any agreement between the Company and any Member with respect to any Capital Contribution or otherwise.

- 14.4 Severability. Every provision of this Agreement is intended to be severable. If any term or provision of this Agreement is illegal or invalid for any reason, the illegality or invalidity shall not affect the legality or validity of the remainder of this Agreement.
- 14.5 Title to Company Properties. Title to all Company property shall be held in the name of the Company.
- 14.6 Membership Interest. Each of the Members and any additional or substitute Members subsequently admitted hereby covenant, acknowledge, and agree that all Membership Units of the Company shall for all purposes be deemed personalty and shall not be deemed realty or any interest in the real property owned by the Company.
- 14.7 Binding Effect. Except as otherwise provided in this Agreement, every covenant, term, and provision of this Agreement shall be binding upon and inure to the benefit of the Members and their respective heirs, legatees, legal representatives, successors, and assigns.
- 14.8 Gender and Headings. Throughout this Agreement, where such meanings would be appropriate:
- (a) The masculine gender shall be deemed to include the feminine and the neuter, and vice versa, and
 - (b) The singular shall be deemed to include the plural, and vice versa.

The headings herein are inserted only as a matter of convenience and reference, and in no way define or describe the scope of the Agreement or the intent of any provisions thereof.

Section 15 ARBITRATION

Any dispute arising out of, relating to this Agreement, a breach hereof, or the operation of the business of the Company, shall be settled by arbitration in Cleveland, Ohio, in accordance with the rules of the American Arbitration Association then existing, *provided, however*, that the discovery as provided for under the Ohio Rules of Civil Procedure shall be available to all parties to the arbitration. This Agreement to arbitrate shall be specifically enforceable. The arbitration award shall be final, and judgment may be entered upon it in any court having jurisdiction over the subject matter of the dispute.

Section 15

Section 16 DEADLOCK PROCEDURE

16.1 Procedure. When an issue and/or dispute arises by and between the Members and the Members are unable, by majority vote, to decide upon a resolution of the dispute, the Members shall declare the Company management deadlocked and the deadlocked issued shall be submitted to an Arbitrator within twenty (20) calendar days that the deadlock occurs.

16.2 Selection of Arbitrator. The Arbitrator named herein shall be selected for the purpose of adjusting disputes or grievances of the Members which are properly submitted to it. Unless otherwise agreed upon by all of the Members, one (1) Arbitrator shall, at the first meeting of the Members, be selected by the majority vote of the Members and shall serve for a period of two (2) years from the date of selection. Upon expiration of such term, the Members shall either vote to renew the term of said Arbitrator or shall vote to elect a new Arbitrator. Should the Members not vote to renew or elect a new Member, the Arbitrator elected by the Members shall continue to act as Arbitrator until such time as a new Arbitrator is elected.

The Arbitrator so elected by the majority of the Members is:

_____.

16.3 Authority of Arbitrator. The Arbitrator shall hear and determine the dispute or controversy as promptly as possible. The decision of the Arbitrator shall be final, binding and conclusive to the Members of the Company. Such decision shall be within the scope and terms of Operating Agreement, but shall not change any of its terms and conditions. All Arbitrator hearings will be held at a place determined by the Arbitrator.

The Arbitrator shall:

A. Have no power to add to, or subtract from, or modify any of the terms of Operating Agreement, but shall be permitted to decide issues arising from the operation of the Company and/or pertain to the application of said Operating Agreement or the operation of the business of the Company.

B. Have the final decision on the deadlocked issue, and said decision shall be binding on the Members and the award of the Arbitrator shall be enforceable as the agreement of the Members, at law or in equity, in any state or federal court having jurisdiction thereon.

C. Have the sole and exclusive power and jurisdiction to determine whether or not a particular issue, dispute or complaint is arbitral under the terms of Operating Agreement.

16.4 Costs. Each of Members shall assume the compensation, traveling expense, and other expenses of its Arbitrator and witnesses called or summoned by it. Should any Member independently request that a "court reporter" be present at the hearing, the costs of the "court report" shall be borne by the requesting party, unless both parties request a "court report," then the costs shall be equally split between the parties.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

INTEGRITY ENERGY, LTD.

by: _____
Paul Nero, Its Authorized Member

MEMBERS

Paul Nero

Michael Naughton

EXHIBIT "A"

Member	Capital Contribution and Value	Number of Units
Paul Nero	\$100	100
Michael Naughton	\$100	100

EXHIBIT "B"

<u>Unit Holder</u>	<u>Insurance Carrier</u>	<u>Policy Number</u>	<u>Policy Amount</u>
Paul Nero			\$
Michael Naughton			\$

VALUATION PURSUANT TO SECTION 9, ARTICLE 3.02

Valuation for the year 2011 is \$_____.

Signature:_____

Signature:_____

Valuation for the year 2012 is \$_____.

Signature:_____

Signature:_____

Valuation for the year 2013 is \$_____.

Signature:_____

Signature:_____

Valuation for the year 2014 is \$_____.

Signature:_____

Signature:_____

Valuation for the year 2015 is \$_____.

Signature:_____

Signature:_____

Valuation for the year 2016 is \$_____.

Signature:_____

Signature:_____

INTEGRITY ENERGY LTD.

MICHAEL NAUGHTON

FOLIO 1

[illegible]

UNIT LEDGER
INTEGRITY ENERGY, LTD.

PAUL NERO
FOLIO 2

[illegible]

UNIT OWNERSHIP JOURNAL

INTEGRITY ENERGY, LTD.

UNITS ISSUED

JOURNAL FOLIO 1

[illegible]

**INTEGRITY ENERGY, LTD.
UNITS CANCELED**

[illegible]

Certificate No.: 1	Issued to: Michael Naughton	No. of Original Certif.: N/A	Received Certif. No.: 1
For 50 Units	From Whom Transferred: Original Units	No. of Original Units: N/A	For 50 Units
Dated: 3/29/10	Dated: N/A	No. of Units Transferred: N/A	Dated: March 29, 2010
		Re-Issued in Certificate No.: N/A	

CERTIFICATE NO. 1	NO. OF UNITS: 50
-------------------	------------------

**★ LIMITED LIABILITY COMPANY, ★
★ FORMED UNDER THE LAWS OF THE STATE OF OHIO ★**

This Certifies that Michael Naughton is the Owner of Fifty (50) fully paid Units of Ownership of

INTEGRITY ENERGY, LTD.

transferable only on the books of the Company by the holder hereof in person or by duly authorized Attorney upon surrender of this Certificate properly endorsed.



Witness the signatures of the Company by its duly authorized members.

Dated: _____ Authorized Member: _____

Certificate No.: 2 For 50 Units Dated: 3/29/10	Issued to: Paul Nero From Whom Transferred: Original Units Dated: N/A	No. of Original Certif.: N/A No. of Original Units: N/A No. of Units Transferred: N/A Re-Issued in Certificate No.: N/A	Received Certif. No.: 2 For 50 Units Dated: March 29, 2010
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CERTIFICATE NO. 2	NO. OF UNITS: 50
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LIMITED LIABILITY COMPANY,

 **FORMED UNDER THE LAWS OF THE STATE OF OHIO** 

This Certifies that Paul Nero is the Owner of Fifty (50) fully paid Units of Ownership of

INTEGRITY ENERGY, LTD.

transferable only on the books of the Company by the holder hereof in person or by duly authorized Attorney upon surrender of this Certificate properly endorsed.

Witness the signatures of the Company by its duly authorized members.

Dated: _____ Authorized Member: _____

Exhibit A-18 “Secretary of State” provide evidence that the applicant has registered with the Ohio Secretary of the State.

See attached certificate of good standing provided by the Secretary of State, registration # 1923765

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

I, Jennifer Brunner, do hereby certify that I am the duly elected, qualified and present acting Secretary of State for the State of Ohio, and as such have custody of the records of Ohio and Foreign business entities; that said records show INTEGRITY ENERGY, LTD., an Ohio For Profit Limited Liability Company, Registration Number 1923765, was organized within the State of Ohio on March 19, 2010, is currently in FULL FORCE AND EFFECT upon the records of this office.



*Witness my hand and the seal of the
Secretary of State at Columbus, Ohio
this 12th day of May, A.D. 2010*

A handwritten signature in black ink, appearing to read "Jennifer Brunner", written in a cursive style.

Ohio Secretary of State

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 natural gas service, or retail/wholesale electric service.

Integrity Energy is licensed and provides energy consulting services in the following states:

Connecticut (license # 10-04-18)

Massachusetts (license # EB-164)

Maine (license # 2010-315)

Rhode Island (License # D-96-6)

Pennsylvania (license # A-2010-2175245)

Illinois (license # 10-0425)

Maryland (license # IR-1985)

Ohio (license # 11-339E)

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 the Commission rules adopted pursuant to Section 4929.22 of the Revised Code and contained in chapter 4901:1-29 of the Ohio administrative code.

Integrity Energy is currently working with multiple suppliers in many different jurisdictions. Integrity Energy does not take title to the power and solely provides consulting, brokering, and energy planning services. Integrity works with 14-16 different suppliers to contract power for a specific customer. We have successfully enrolled over 3,000 commercial and Industrial accounts with competitive energy suppliers.

The contracts that are signed by the customer are from the supplier directly and not Integrity. All contracted services and billing statements come directly from the specific supplier that the customer chooses. Customer inquiries, questions, concerns, or complaints will be handled from our office or the supplier depending on which route the customer takes. All contact information is provided to every customer after the completion of a contract signed.

Exhibit B-3 “Summary of Experience” provide a concise and current summary of the applicant’s experience in providing the service(s) for which it is seeking to be certified to provide (e.g. number and types of customers served, utility service areas, volume of gas supplied, etc.)

Integrity Energy is currently not providing any gas services at the present. Integrity’s principal business interests are the sale of electricity to single location users. We have been approached by many of our customers to offer them gas service as well, and have not provided that in the past. To better support our customers requests and needs we felt it was important that we provide this service.

Many of the suppliers we currently use for electricity also offer gas so we have contracts in place that will allow us to shop our current customers accounts.

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

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

Exhibit C-1 “Annual Reports” 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.

Integrity Energy does not provide Annual Reports. Integrity Energy is a privately held company.

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

Integrity Energy is not required to file with the SEC.

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.

Integrity Energy is owner managed. The financial statements are not audited, but are reviewed by our outside accountants. The owners Paul Nero and Mike Naughton certify that the following 3 pages that detail our financial statements are accurate.

Exhibit C-4 “Financial Arrangements,” provide copies of the applicant's financial arrangements to conduct competitive retail natural gas service (CRNGS) as a business activity (e.g., guarantees, bank commitments, contractual arrangements, credit agreements, etc.,).

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

Exhibit C-5 “Forecasted Financial Statements,” provide two years of forecasted financial statements (balance sheet, income statement, and cash flow statement) for the applicant’s CRNGS operation, along with a list of assumptions, and the name, address, email address, and telephone number of the preparer.

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

C-5 Forecasted Financial Statement

Integrity Energy Forecasted Financial Statement

January - December 2013

Total Income	\$ 350,000.00
Total Expenses	<u>\$ 250,000.00</u>
Net Income	\$ 100,000.00

January - December 2014

Total Income	\$ 800,000.00
Total Expenses	<u>\$ 450,000.00</u>
Net Income	\$ 350,000.00

Exhibit C-6 “Credit Rating,” provide a statement disclosing the applicant’s credit rating as reported by two of the following organizations: Duff & Phelps, Dun and Bradstreet Information Services, Fitch IBCA, Moody’s Investors Service, Standard & Poors, or a similar organization. In instances where an applicant does not have its own credit ratings, it may substitute the credit ratings of a parent or affiliate organization, provided the applicant submits a statement signed by a principal officer of the applicant’s parent or affiliate organization that guarantees the obligations of the applicant.

Integrity Energy is a relatively new company therefore no credit rating exists from any of the above agencies.

Exhibit C-7 “Credit Report,” provide a copy of the applicant’s credit report from Experion, Dun and Bradstreet or a similar organization.

Integrity Energy is a relatively new company therefore no credit report is available from any of the above agencies.

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 since applicant last filed for certification.

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

Exhibit C-9 “Merger Information,” provide a statement describing any dissolution or merger or acquisition of the applicant since applicant last filed for certification.

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

Exhibit D-1 “Operations” provide a current written description of the operational nature of the applicant's business function.

Integrity Energy will provide energy consulting, planning, and management services to commercial customers that are interested in choosing an alternative natural gas supplier. We will be working with potential customers that will reside in the state of Ohio. Our focus will be only on commercial accounts, but we will service any size customer. We will primarily be marketing our services to customers that already use Integrity Energy for electricity. In addition to our existing customers, we will service other clients that are interested in using our expertise as well.

Exhibit D-2 “Operations Expertise” given the operational nature of the applicants business, provide evidence of the applicants current experience and technical expertise in performing such operations.

Integrity Energy is currently using the same model as described in our operations. We currently have relationships with 17 different electricity suppliers and over 3,000 commercial customers. We are a licensed broker/aggregator in 8 different states and have serviced customers in 24 different utility areas. We have dedicated sales agents that work directly with their customers on a weekly/monthly basis. We have a back office team that will support our agents in generating contracts, processing orders, confirming customer flow start dates, etc. In addition, we have dedicated renewal agents that only work with re-terming our customers to guarantee they are taken care of on an ongoing basis. We always work to negotiate the best electricity plan that fits our customer's needs and our goal is to never lose a customer.

Exhibit D-3 “Key Technical Personnel” provide the names, titles, addresses and telephone numbers, and background of key personnel involved in the operational aspects of the applicants current business.

Paul Nero
Integrity Energy
C.E.O.
5711 Grant Ave
Cleveland Ohio 44105
216-502-4410
pnero@integenergy.com

Mike Naughton
Integrity Energy
President
5711 Grant Ave
Cleveland Ohio 44105
216-502-4409
Mnaughton@integenergy.com

Paul Nero and Mike Naughton both have over 12 years and management and owner experience. Prior to starting Integrity Energy, Paul & Mike were owners in another business that provided telecom consulting and selling. They were one of the premier partners of AT&T, and were recognized as the top producing firm from 2005 through 2009.

Since Integrity Energy has launched in 2010 we have built our supplier relationships from our first supplier to a total of 17. We have a relationship with over 3,000 commercial accounts that have used Integrity in some capacity for obtaining electricity contracts.

We are looking to build on our portfolio of products due to the requests of our customers.

- C-6 **Exhibit C-6 "Credit Rating,"** provide a statement disclosing the applicant's current credit rating as reported by two of the following organizations: Duff & Phelps, Dun and Bradstreet Information Services, Fitch IBCA, Moody's Investors Service, Standard & Poors, or a similar organization. In instances where an applicant does not have its own credit ratings, it may substitute the credit ratings of a parent or affiliate organization, provided the applicant submits a statement signed by a principal officer of the applicant's parent or affiliate organization that guarantees the obligations of the applicant.
- C-7 **Exhibit C-7 "Credit Report,"** provide a copy of the applicant's current credit report from Experion, Dun and Bradstreet, or a similar organization.
- C-8 **Exhibit C-8 "Bankruptcy Information,"** provide a list and description of any reorganizations, protection from creditors, or any other form of bankruptcy filings made by the applicant, a parent or affiliate organization that guarantees the obligations of the applicant or any officer of the applicant in the current year or since applicant last filed for certification.
- C-9 **Exhibit C-9 "Merger Information,"** provide a statement describing any dissolution or merger or acquisition of the applicant since applicant last filed for certification.

SECTION D – APPLICANT TECHNICAL CAPABILITY

PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED.

- D-1 **Exhibit D-1 "Operations,"** provide a current written description of the operational nature of the applicant's business functions.
- D-2 **Exhibit D-2 "Operations Expertise,"** given the operational nature of the applicant's business, provide evidence of the applicant's current experience and technical expertise in performing such operations.
- D-3 **Exhibit D-3 "Key Technical Personnel,"** provide the names, titles, email addresses, telephone numbers, and background of key personnel involved in the operational aspects of the applicant's current business.

Applicant Signature and Title

 CEO

Sworn and subscribed before me this

24th

day of

January

Month

2013

Year



Signature of official administering oath

Michelle Velotta

Print Name and Title

My commission expires on

MICHELLE VELOTTA
NOTARY PUBLIC • STATE OF OHIO
Recorded in Cuyahoga County
My commission expires Oct. 18, 2015



The Public Utilities Commission of Ohio

Competitive Retail Natural Gas Service
Affidavit Form
(Version 1.07)

In the Matter of the Application of)
Integrity Energy)
for a Certificate or Renewal Certificate to Provide)
Competitive Retail Natural Gas Service in Ohio.)

Case No. - -GA-AGG

County of *Cuyahoga*
State of *Ohio*

Paul Nero

[Affiant], being duly sworn/affirmed, hereby states that:

- (1) The information provided within the certification or certification renewal application and supporting information is complete, true, and accurate to the best knowledge of affiant.
- (2) The applicant will timely file an annual report of its intrastate gross receipts and sales of hundred cubic feet of natural gas pursuant to Sections 4905.10(A), 4911.18(A), and 4929.23(B), Ohio Revised Code.
- (3) The applicant will timely pay any assessment made pursuant to Section 4905.10 or Section 4911.18(A), Ohio Revised Code.
- (4) Applicant will comply with all applicable rules and orders adopted by the Public Utilities Commission of Ohio pursuant to Title 49, Ohio Revised Code.
- (5) Applicant will cooperate with the Public Utilities Commission of Ohio and its staff in the investigation of any consumer complaint regarding any service offered or provided by the applicant.
- (6) Applicant will comply with Section 4929.21, Ohio Revised Code, regarding consent to the jurisdiction of the Ohio courts and the service of process.
- (7) Applicant will inform the Public Utilities Commission of Ohio of any material change to the information supplied in the certification or certification renewal application within 30 days of such material change, including any change in contact person for regulatory or emergency purposes or contact person for Staff use in investigating customer complaints.
- (8) Affiant further sayeth naught.

Affiant Signature & Title

Paul Nero CEO

Sworn and subscribed before me this *24th* day of *January* Month *2013* Year

Michelle Velotta

Signature of Official Administering Oath

Michelle Velotta

Print Name and Title

MICHELLE VELOTTA
NOTARY PUBLIC • STATE OF OHIO
Recorded in Cuyahoga County
My commission expires Oct. 18, 2015

My commission expires on