

NC
FILE

56



7322 Southwest Freeway
Suite 1080 Houston, TX 77074
Office: 713-369-5555

13-1924-EL-AGG

August 26, 2013

Public Utilities Commission of Ohio
Docketing Division

180 East Broad Street, Columbus Ohio 43215-3793.

Re: Torch Energy Solutions, LLC – Power Broker Certificate Application

Dear Public Utilities Commission of Ohio:

Enclosed is Torch Energy Solutions, LLC required documentation to become a Power Broker in the State of Ohio.

If you have any questions, please feel free to contact me

Sincerely,

A handwritten signature in black ink, appearing to read "Amir Eskafyan", written over a horizontal line.

Amir Eskafyan
President & CEO
Amir@torchenergy.com
832-922-5507

RECEIVED-DOCKETING DIV
2013 SEP 10 PM 1:57
PUCO

This is to certify that the images appearing are an
accurate and complete reproduction of a case file
document delivered in the regular course of business
Technician TA Date Processed SEP 10 2013



The Public Utilities Commission of Ohio

Filing Instructions for Aggregators/Power Brokers

I. Where To File: Applications should be sent to: Public Utilities Commission of Ohio, Docketing Division , 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 three copies including all exhibits, affidavits, and other attachments. All attachments, affidavits, and exhibits should be clearly identified. For example, Exhibit A-12 should be marked "Exhibit A-12 '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 provide power-brokering services must file a "**Certification Application for Aggregators/Power Brokers**" form. Governmental aggregators must file an "**Certification Application for Governmental Aggregators**" form. If an aggregator will provide power marketing and/or retail electric generation services in addition to aggregation and power brokering services, it must file an "**Certification Application for Retail Generation Providers, Power Marketers, and Power Brokers**" form. The following definitions are provided to assist applicants in determining which form(s) to file:

Aggregation - combining the electric load of multiple retail customers through an agreement with the customers or formation of a governmental aggregation pursuant to Section 4928.20 of the Revised Code for the purpose of purchasing retail electric generation service on an aggregated basis.

Aggregator - a person who contracts with customers to combine the customers' electric load for the purpose of purchasing retail electric generation service on an aggregated basis. The term does not include a governmental aggregator.

Governmental Aggregator - the legislative authority of a municipal corporation, the board of township trustees of a township, or a board of county commissioners of a county that aggregates the citizens of a municipal corporation, township, or unincorporated areas of a county in accordance with Section 4928.20 of the Revised Code for the purpose of purchasing retail electric generation service on an aggregated basis.

Power Broker - a person who assumes the contractual and legal responsibility for the sale and/or arrangement for the supply of retail electric generation service to a retail customer without taking title to the power supplied.

Power Marketer - a person who assumes the contractual and legal responsibility for the sale and provision of retail electric generation service to a retail customer who had title to the electric power provided at some point during the transaction.

IV. Application Form: The application is available on the Commission's web site, www.puco.ohio.gov or directly from the Commission at: Public Utilities Commission of Ohio, Docketing Division, 180 East Broad Street, Columbus Ohio 43215-3793.

V. 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 fully support its request to maintain confidentiality for the information it believes to be confidential or proprietary in a motion for protective order filed pursuant to Rule 4901-1-24 of the Ohio Administrative Code.

VI. Commission Process for 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 may 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 competitive retail electric service provider'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 4901:1-24-09 of the Ohio Administrative Code.

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

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

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

VIII. Questions: Questions regarding filing procedures should be directed to Chuck Stockhausen at Charles.Stockhausen@puc.state.oh.us.

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

The Public Utilities Commission of Ohio

13-1924-EL-AGG

Business address 7322 Southwest Freeway Suite 1080 Houston, TX 77074

Telephone # (832) 922-5507

Fax # (281) 369-5550

E-mail address (if any) amir@torchenergy.com

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

Name Amir Eskafyan

Title President & CEO

Business address 7322 Southwest Freeway Suite 1080 Houston, TX 77074

Telephone # (832) 922-5507

Fax # (281) 369-5550

E-mail address (if any) amir@torchenergy.com

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

Customer Service address 7322 Southwest Freeway Suite 1080 Houston, TX 77074

Toll-free Telephone # (281) 369-5555

Fax # (281) 369-5550

E-mail address (if any) info@torchenergy.com

A-7 Applicant's federal employer identification number # 460840033

A-8 Applicant's form of ownership (check one)

☐ Sole Proprietorship

☐ Partnership

☐ Limited Liability Partnership (LLP)

☐ Limited Liability Company (LLC)

☐ Corporation

☐ Other _____

A-9 (Check all that apply) Identify each electric distribution utility certified territory in which the applicant intends to provide service, including identification of each customer class that the applicant intends to serve, for example, residential, small commercial, mercantile commercial, and industrial. (A mercantile customer, as defined in (A) (19) of Section 4928.01 of the Revised Code, is a commercial customer who consumes more than 700,000 kWh/year or is part of a national account in one or more states).

☒ First Energy

☒ Ohio Edison

☒ Residential

☒ Commercial

☒ Mercantile

☒ Industrial

☒ Toledo Edison

☒ Residential

☒ Commercial

☒ Mercantile

☒ Industrial

☒ Cleveland Electric Illuminating

☒ Residential

☒ Commercial

☒ Mercantile

☒ Industrial

☒ Duke Energy

☒ Residential

☒ Commercial

☒ Mercantile

☒ Industrial

☒ Monongahela Power

☒ Residential

☐ Commercial

☐ Mercantile

☒ Industrial

☒ American Electric Power

☒ Ohio Power

☒ Residential

☒ Commercial

☒ Mercantile

☒ Industrial

☒ Columbus Southern Power

☒ Residential

☒ Commercial

☒ Mercantile

☒ Industrial

☒ Dayton Power and Light

☒ Residential

☒ Commercial

☐ Mercantile

☒ Industrial

- A-10 Provide the approximate start date that the applicant proposes to begin delivering services
September 1, 2013

PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED:

- ✓ A-11 **Exhibit A-11 "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-12 **Exhibit A-12 "Corporate Structure,"** provide a description of the applicant's corporate structure, including a graphical depiction of such structure, and a list of all affiliate and subsidiary companies that supply retail or wholesale electricity or natural gas to customers and companies that aggregate customers in North America.
- ✓ A-13 **Exhibit A-13 "Company History,"** provide a concise description of the applicant's company history and principal business interests.
- ✓ A-14 **Exhibit A-14 "Articles of Incorporation and Bylaws,"** if applicable, provide the articles of incorporation filed with the state or jurisdiction in which the Applicant is incorporated and any amendments thereto.
- ✓ A-15 **Exhibit A-15 "Secretary of State,"** provide evidence that the applicant has registered with the Ohio Secretary of the State.

B. **APPLICANT MANAGERIAL CAPABILITY AND EXPERIENCE**

PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED:

- ✓ B-1 **Exhibit B-1 "Jurisdictions of Operation,"** provide a list of all jurisdictions in which the applicant or any affiliated interest of the applicant is, at the date of filing the application, certified, licensed, registered, or otherwise authorized to provide retail or wholesale electric services including aggregation services.
- ✓ B-2 **Exhibit B-2 "Experience & Plans,"** provide a description of the applicant's experience and plan for contracting with customers, providing contracted services, providing billing statements, and responding to customer inquiries and complaints in accordance with Commission rules adopted pursuant to Section 4928.10 of the Revised Code.

J B-3 **Exhibit B-3 "Summary of Experience,"** provide a concise summary of the applicant's experience in providing aggregation service(s) including contracting with customers to combine electric load and representing customers in the purchase of retail electric services. (e.g. number and types of customers served, utility service areas, amount of load, etc.).

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

J B-5 Disclose whether the applicant, a predecessor of the applicant, or any principal officer of the applicant have ever been convicted or held liable for fraud or for violation of any consumer protection or antitrust laws within the past five years.

☒ No ☐ Yes

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

B-6 Disclose whether the applicant or a predecessor of the applicant has had any certification, license, or application to provide retail or wholesale electric service including aggregation service denied, curtailed, suspended, revoked, or cancelled within the past two years.

☒ No ☐ Yes

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

C. **APPLICANT FINANCIAL CAPABILITY AND EXPERIENCE**

PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED:

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

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

- C-3** **Exhibit C-3 “Financial Statements,”** provide copies of the applicant’s two most recent years of audited financial statements (balance sheet, income statement, and cash flow statement). If audited financial statements are not available, provide officer certified financial statements. If the applicant has not been in business long enough to satisfy this requirement, it shall file audited or officer certified financial statements covering the life of the business.
- C-4** **Exhibit C-4 “Financial Arrangements,”** provide copies of the applicant’s financial arrangements to conduct CRES as a business activity (e.g., guarantees, bank commitments, contractual arrangements, credit agreements, etc.).
- C-5** **Exhibit C-5 “Forecasted Financial Statements,”** provide two years of forecasted financial statements (balance sheet, income statement, and cash flow statement) for the applicant’s CRES operation, along with a list of assumptions, and the name, address, e-mail address, and telephone number of the preparer.
- C-6** **Exhibit C-6 “Credit Rating,”** provide a statement disclosing the applicant’s credit rating as reported by two of the following organizations: Duff & Phelps, Dun and Bradstreet Information Services, Fitch IBCA, Moody’s Investors Service, Standard & Poors, or a similar organization. In instances where an applicant does not have its own credit ratings, it may substitute the credit ratings of a parent or affiliate organization, provided the applicant submits a statement signed by a principal officer of the applicant’s parent or affiliate organization that guarantees the obligations of the applicant.
- C-7** **Exhibit C-7 “Credit Report,”** provide a copy of the applicant’s credit report from Experian, Dun and Bradstreet or a similar organization.
- C-8** **Exhibit C-8 “Bankruptcy Information,”** provide a list and description of any reorganizations, protection from creditors or any other form of bankruptcy filings made by the applicant, a parent or affiliate organization that guarantees the obligations of the applicant or any officer of the applicant in the current year or within the two most recent years preceding the application.

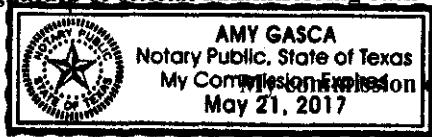
C-9 **Exhibit C-9 "Merger Information."** provide a statement describing any dissolution or merger or acquisition of the applicant within the five most recent years preceding the application.

Amer Eskajon, President
Signature of Applicant & Title

Sworn and subscribed before me this 26 day of August, 2013
Month Year

Amy Gasca
Signature of official administering oath

Amy Gasca - Notary
Print Name and Title



Expires on May 21, 2017

Exhibit A-11 "Principal Officers, Directors & Partners,"

Address: 7322 Southwest Freeway Suite 1080 Houston, TX 77074

832-922-5507

Amir Eskafyan, President & CEO - 100%

Exhibit A-12 "Corporate Structure,"

Torch Energy Solutions, LLC has no Parent or affiliate companies

Exhibit A-13 "Company History,"

Company History

Torch Energy Solutions, LLC (Formally named Younique Services, LLC - Named changed on April 26, 2013) was founded on July 12, 2012 by Amir Eskafyan. The business was formed to consult to residential and business owners in effort to assist them to choose a retail provider with clear and simple way to understand their choice. The goal of Torch Energy is help its clients to reduce their expense in energy cost. Torch Energy Solutions's Founder, Amir Eskafyan has been associated with energy since 2004 as an intern within AmPro Energy, Inc, a Texas retail provider, and then continued his college education in Energy Management along with various internships including Choice Energy Broker retail services and CGA Energy Consulting customers in Texas.

Torch Energy is currently active in Texas, New York and recently Certified in Illinois in July 2013, and has assisted multiple clients both residential and commercial business in making the right choice to switch and participate in the deregulated markets. The future plan and vision of Torch Energy is to grow its customer base thru referral programs and utilizing high-level technology.

Manuel Gasca – Senior Market Analyst

Experienced ISO settlements and revenue analyst, self-motivated with an ability to achieve and exceed goals while meeting deadlines, with proven leadership, project management and team building skills. Expertise in staff management and training. Bilingual and strong computer capabilities.

SKILLS: ISO settlements analysis and process optimization

Report creation for Executive leadership

Cost and revenue analysis for large scale projects

Forecasting and advanced analysis of large data

Pricing, settlements and billing system design

EXPERIENCE: Torch Energy Solutions - Senior Market Analyst

- Develop savings analysis and support training for Sales team.
- Website analytic tools development.
- Design load forecasting model and monitor market rates.

CGA Energy -Houston, Texas

Retail Electric Provider Consultant

- Saved \$50,000 by designing a load forecasting model for a retail electric provider. The position report measures monthly imbalance to analyze ISO and bilateral agreements, ROI and gross margin to support operational and financial decision-making analyses.
- Optimized customer's operations, reducing the work time by 90%, managed projects infrastructure, work and learning environment, technology and tools to assure quality, resources and budget.

Glacial Energy - ISO Settlements and Revenue Manager

- Led the Billing and ISO Settlement department, maintaining data integrity and automated the process of complex analysis for 17,000 accounts, reducing the work time from 8 hours to 45 minutes, saving the company over \$250,000 USD.
 - Managed a \$150,000,000 USD revenue portfolio to provide decision making information to President and CFO, gross margin reporting and cost for NYISO, PJM, ERCOT, MISO and NEISO.
 - Optimized the process of validation and allocation of cost to a customer level to deliver 10,000 invoices per month, improving the processing time by 40%
 - Built statistics models to estimate yearly revenue. Designed a financial model with metrics to analyze and reconcile wholesale operations, bilateral agreements and ISO invoices for 11 deregulated States producing savings around 5% of the monthly cost.
 - Coordinated the Pricing desk group to support the sales work force providing savings analysis reducing by 40% the time of response for the average of 250 pricing requests.

AmPro Energy LP - Pricing Analyst

- Developed multiple sophisticated models to process pricing and savings analysis in all deregulated areas of the Texas market, summarized billing, wholesale supply invoice comparison, meter data management and usage forecast, reducing the processing time by 70% to create an average of 100 pricing reports per month.
- Set-up templates to download ISO settlements and create shadow settlements, pricing structures for new service areas where the company was looking to expand.

Amy Gasca

Energy Executive - Advisory Board -Torch Energy Solutions, LLC

Amy Gasca has been a leader at Entrust Energy since the company's inception. She is now responsible for new business development with specific responsibilities to obtain certifications to enter the multiple markets, Operations and wholesale supply as Entrust Energy expands into new markets across the U.S. Before moving into this role, she served as Entrust Energy's Vice President of Commercial Operations, where she was responsible for Operations, IT, Regulatory and Customer Care. During this time, she managed Entrust Energy's entrance into the Texas market.

Amy Gasca has led a successful career in the retail electricity, natural gas and crude oil industries. She and has held a number of positions including a current position as President of CGA Energy, and Advisory Board Mmember of Torch Energy Solutions,. Ms. Gasca's prior experience includes Chief Operations Officer for Glacial Energy Holdings; Founder and President of AmPro Energy LP; Vice President at Constellation NewEnergy, Inc.; Operations Energy Manager for Shell Energy Service, Inc.; Executive Team Member of Occidental Petroleum – MidCon Energy – mc2; Manager and Trader at The Peoples Gas Light & Coke Company; and various positions with BP/Amoco Oil, Inc.

Gasca holds a Master of Business Administration (with emphasis in Information Systems) from Loyola University, a Master of Science in Economics (with emphasis in Econometrics) from Northern Illinois University and a Bachelor of Science in Business Administration and Economics from Northern Illinois University. Gasca actively participates on a number of professional boards and organizations including the Women's Energy Network, North East Hispanic Chamber of Commerce, the Kingwood Chapter of Rotary International, Texas Region 5890, the National Association Regulatory Utilities Commissioners Partnership Program and the North American Energy Standards Board Retail Power, to name a few.

Exhibit A-14 "Operating Agreement"

OPERATING AGREEMENT

OF

Torch Energy Solutions, LLC

A Limited Liability Company

AGREEMENT,

Date: July 12, 2012

Managing Member 1: Amir Eskafyan
Address: 7322 Southwest Freeway, Suite 1080, Houston TX 77074

Collectively hereafter referred to as "Members"

WITNESSETH:

WHEREAS, the parties hereto desire to form a limited liability company pursuant to the laws of the State of Texas (State of organization) for the purposes hereinafter set forth, and to establish their respective rights and obligations in connection with the limited liability company; and

NOW, THEREFORE, in consideration of the mutual covenants set forth herein and other valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the Managing Members and Members agree as follows:

1. Formation

The parties hereby confirm that they have formed a limited liability company (the "Limited Liability Company") pursuant to the provisions of the Texas (State of organization) Limited Liability Company Act, as the same may be amended from time to time, for the purposes and the period and upon the terms and conditions hereinafter set forth. The parties have caused to be filed the Articles of Organization of the Limited Liability Company, and shall execute, acknowledge, swear to and file any other documents required under applicable law.

2. Name

The name of the Limited Liability Company shall be TORCH ENERGY SOLUTIONS, LLC (Name of LLC), and all business of the Limited Liability Company shall be conducted under said name, or such other name as the Members from time to time may determine.

3. Purposes

The purposes of the Limited Liability Company are to : Energy Consulting Services

To incur indebtedness, secured and unsecured; to enter into and perform contracts and agreements of any kind necessary to, in connection with or incidental to the business of the Limited Liability Company; and to carry on any other activities necessary to, in connection with or incidental to the foregoing, as the Managing Members in their discretion may deem desirable.

4. Place of Business

The principal place of business and specified office of the Limited Liability Company at which the records required to be maintained by the Limited Liability Company under the Texas (State of organization) Limited Liability Company Act are to be kept shall be at 7322 Southwest Freeway, Suite 1080, Houston TX 77074, (Address) or at such other or additional places of business within or outside of the State of Texas as the Managing Members from time to time may designate. The Managing Members shall notify the other Members of any change of the principal place of business and specified office.

The Limited Liability Company hereby designates Amir Eskafyan as the Registered Agent, whose address is 7322 Southwest Freeway, Suite 1080, Houston TX 77074, as the Registered Agent of the Limited Liability Company for service of process.

The Managing Members may change the registered office and Registered Agent from time to time by filing the prescribed forms with the appropriate governmental authorities.

5. Capital Contributions

The capital of the Limited Liability Company shall be \$100.00, which shall consist of the aggregate of the capital contributions to be made pursuant to this Article 6.

Each of the Members shall contribute to the capital of the Limited Liability Company the amount set forth opposite his name below:

Managing Member 1- _____ Amir Eskafyan _____ \$100 _____

The Members shall not be required to make any additional capital contributions.

Except as specifically provided in this Agreement or required by law, no Member shall have the right to withdraw or reduce his contributions to the capital of the Limited Liability Company until the termination of the Limited Liability Company. No Member shall have the right to demand and receive any distribution from the Limited Liability Company in any form other than cash, regardless of the nature of such Member's capital contribution. No Member shall be paid interest on capital contributions to the Limited Liability Company.

The liability of any Member for the losses, debts, liabilities and obligations of the Limited Liability Company shall be limited to paying: the capital contribution of such Member when due under this Agreement; such Member's share of any undistributed assets of the Limited Liability Company; and (only if and to the extent at any time required by applicable law) any amounts previously distributed to such Member by the Limited Liability Company.

6. Loans and Advances by Members

If any Member shall loan or advance any funds to the Limited Liability Company in excess of the capital contribution of such Member prescribed herein, such loan or advance shall not be deemed a capital contribution to the Limited Liability Company and shall not in any respect increase such Member's interest in the Limited Liability Company.

7. Allocations and Distributions

As used in this Agreement, the terms "net profits" and "net losses" shall mean the profits or losses of the Limited Liability Company from the conduct of the Limited Liability Company's business, after all expenses incurred in connection therewith have been paid or provided for. The net profits or net losses of the Limited Liability Company shall be determined by the Limited Liability Company's accountants in accordance with generally accepted accounting principles applied in determining the income, gains, expenses, deductions or losses, as the case may be, reported by the Limited Liability Company for Federal income tax purposes.

The term "cash receipts" shall mean all cash receipts of the Limited Liability Company from whatever source derived, including without limitation capital contributions made by the Members; the proceeds of any sale, exchange, or other disposition of all or any part of the assets of the Limited Liability Company; the proceeds of any loan to the Limited Liability Company; the proceeds of any insurance policy payable to the Limited Liability Company; and the proceeds from the liquidation of the assets of the Limited Liability Company following a termination of the Limited Liability Company.

The "capital account" for each Member shall mean the account established, determined and maintained for such Member in accordance with Section 704(b) of the Internal Revenue Code and Treasury Regulation Section 1.704-1(b)(2)(iv). The capital account for each Member shall be **increased by** (1) the amount of money contributed by such Member to the Limited Liability Company, (2) the fair market value of property contributed by such Member to the Limited Liability Company (net of liabilities secured by such contributed property that the Limited Liability Company is considered to assume or take subject to under Section 752 of the Internal Revenue Code), and (3) allocations to such Member of Limited Liability Company income and gain (or items thereof), including income and gain exempt from tax and income and gain described in Treasury Reg. Section 1.704-1(b)(2)(iv)(g), but excluding income and gain described in subsection (b)(4)(i) of said Regulation, and shall be **decreased by** (4) the amount of money distributed to such Member by the Limited Liability Company, (5) the fair market value of property distributed to such Member by the Limited Liability Company (net of liabilities secured by such distributed property that such Member is considered to assume or take subject to under Section 752 of the Code), (6) allocations to such Member of expenditures of the Limited Liability Company described in Section 705(a)(2)(B) of the Code, and (7) allocations of Limited Liability Company loss and deduction (or items thereof) including loss and deduction described in Treasury Reg. Section 1.704-1(b)(2)(iv)(g), but excluding items described in (6) above and loss or deduction described in subsections (b)(4)(i) or (b)(4)(iii) of said Regulation. Net profits and net losses of the Limited Liability Company from other than capital transactions, as of the end of any fiscal year or other period, shall be credited or charged to the capital accounts of the Members prior to any charge or credit to said capital accounts for net profits and net losses of the Limited Liability Company from capital transactions as of the end of such fiscal year or other period. The capital account for each Member shall be otherwise adjusted in accordance with the additional rules of Treasury Reg. Section 1.704-1(b)(2)(iv).

The term "Members' Percentage Interests" shall mean the percentages set forth opposite the name of each Member below:

<u>Managing Members</u>	<u>Percentage Interest</u>
Amir Eskafyan	100%

During each fiscal year, the net profits and net losses of the Limited Liability Company (other than from capital transactions), and each item of income, gain, loss, deduction or credit entering into the computation thereof, shall be credited or charged, as the case may be, to the capital accounts of each Member in proportion to the Members' Percentage Interests. The net profits of the Limited Liability Company from capital transactions shall be allocated in the following order of priority: (a) to offset any negative balance in the capital accounts of the Members in proportion to the amounts of the negative balance in their respective capital accounts, until all negative balances in the capital accounts have been eliminated; then (b) to the Members in proportion to the Members' Percentage Interests. The net losses of the Limited Liability Company from capital transactions shall be allocated in the following order of priority: (a) to the extent that the balances in the capital accounts of any Members are in excess of their original contributions, to such Members in proportion to such excess balances in the capital accounts until all such excess balances have been reduced to zero; then (b) to the Members in proportion to the Members' Percentage Interests.

The cash receipts of the Limited Liability Company shall be applied in the following order of priority: (a) to the payment by the Limited Liability Company of amounts due on debts and liabilities of the Limited Liability Company other than to any Member, and operating expenses of the Limited Liability Company; (b) to the payment of interest and amortization due on any loan made to the Limited Liability Company by any Member; (c) to the establishment of cash reserves determined by the Managing Members to be necessary or appropriate, including without limitation reserves for the operation of the Limited Liability Company's business, taxes and contingencies; and (d) to the repayment of any loans made to the Limited Liability Company by any Member. Thereafter, the cash receipts of the Limited Liability Company shall be distributed among the Members as hereafter provided.

The cash receipts of the Limited Liability Company shall be distributed to the Members from time to time at such times as the Managing Members shall determine. It is contemplated that distributions will be made if the Managing Members deem such distributions to be prudent and feasible.

Except as otherwise provided in this Agreement or required by law, distributions of cash receipts of the Limited Liability Company, other than from capital transactions, shall be allocated among the Members in proportion to the Members' Percentage Interests.

Except as otherwise provided in this Agreement or required by law, distributions of cash receipts from capital transactions shall be allocated in the following order of priority: (a) to the Members in proportion to their respective capital accounts until each Member has received cash distributions equal to any positive balance in his capital account; then (b) to the Members in proportion to the Members' Percentage Interests.

Special Allocations -- Notwithstanding the preceding provisions of this Article 8, the following special allocations shall be made in the following order:

(1) **Minimum Gain Chargeback** -- Except as otherwise provided in Treasury Reg. Section 1.704-2(f), if there is a net decrease in partnership minimum gain (within the meaning of Treasury Reg. Sections 1.704-2(b)(2) and 1.704-2(d)) during any fiscal year, each Member shall be allocated items of the Limited Liability Company's income and gain for such fiscal year (and, if necessary, subsequent fiscal years) in an amount equal to such Member's share of the net decrease in partnership minimum gain, determined in accordance with Treasury Reg. Section 1.704-2(g). Allocations made pursuant to the preceding sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items to be so allocated shall be determined in accordance with Treasury Reg. Sections 1.704-2(f)(6) and 1.704-2(j)(2). This provision is intended to comply with the minimum gain chargeback requirement in Treasury Reg. Section 1.704-2(f) and shall be interpreted consistently therewith.

(2) **Partner Minimum Gain Chargeback** -- Except as otherwise provided in Treasury Reg. Section 1.704-2(i)(4), if there is a net decrease in partner nonrecourse debt minimum gain attributable to a partner nonrecourse debt during any fiscal year, each Member who has a

share of the partner nonrecourse debt minimum gain attributable to such partner nonrecourse debt, determined in accordance with Treasury Reg. Section 1.704-2(i)(5), shall be allocated items of the Limited Liability Company's income and gain for such fiscal year (and, if necessary, subsequent fiscal years) in an amount equal to such Member's share of the net decrease in partner nonrecourse debt minimum gain attributable to such partner nonrecourse debt, determined in accordance with Treasury Reg. Section 1.704-2(i)(4). Allocations made pursuant to the preceding sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items to be so allocated shall be determined in accordance with Treasury Reg. Sections 1.704-2(i)(4) and 1.704-2(j)(2). As used herein, "partner nonrecourse debt" has the meaning set forth in Treasury Reg. Section 1.704-2(b)(4). As used herein, "partner nonrecourse debt minimum gain" shall mean an amount, with respect to each partner nonrecourse debt, equal to the partnership minimum gain (within the meaning of Treasury Reg. Sections 1.704-2(b)(2) and 1.704-2(d)) that would result if such partner nonrecourse debt were treated as a nonrecourse liability (within the meaning of Treasury Reg. Section 1.704-2(b)(3)) determined in accordance with Treasury Reg. Section 1.704-2(i)(3). This provision is intended to comply with the minimum gain chargeback requirement in Treasury Reg. Section 1.704-2(i)(4) and shall be interpreted consistently therewith.

(3) Qualified Income Offset -- In the event any Member unexpectedly receives any adjustments, allocations or distributions described in Treasury Reg. Sections 1.704-1(b)(2)(ii)(d)(4), (5) or (6), items of the Limited Liability Company's income and gain shall be allocated to such Member in an amount and manner sufficient to eliminate, to the extent required by the Regulations, any adjusted capital account deficit in such Member's capital account, as quickly as possible, provided that an allocation pursuant to this provision shall be made only if and to the extent that such Member would have a adjusted capital account deficit in such Member's capital account after all other allocations provided for in this Article 8 have been tentatively made as if this provision were not in this Agreement. As used herein, "adjusted capital account deficit" shall mean the deficit balance, if any, in a Member's capital account at the end of the relevant fiscal year after the following adjustments: (i) credit to such capital account the minimum gain chargeback which the Member is obligated to restore pursuant to the penultimate sentences of Treasury Reg. Sections 1.704-2(g)(1) and 1.704-2(i)(5); and (ii) debit to such capital account the items described in Treasury Reg. Sections 1.704-1(b)(2)(ii)(d)(4), (5) and (6). This provision is intended to constitute a qualified income offset within the meaning of Treasury Reg. Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

(4) Gross Income Allocation -- In the event any Member has a deficit capital account at the end of any fiscal year which is in excess of the sum of the amounts such Member is deemed to be obligated to restore pursuant to the penultimate sentences of Treasury Reg. Sections 1.704-2(g)(1) and 1.704-2(i)(5), each such Member shall be allocated items of the Limited Liability Company's income and gain in the amount of such excess as quickly as possible, provided that an allocation pursuant to this provision shall be made only if and to the extent that such Member would have a deficit in such Member's capital account in excess of such sum after all other allocations provided for in this Article 8 have been tentatively made as if this provision and the provisions of clause (3) above were not in this Agreement.

(5) Nonrecourse Deductions -- Nonrecourse deductions (within the meaning of Treasury Reg. Section 1.704-2(b)(1)) for any fiscal year shall be allocated among the Members in proportion to the Members' Percentage Interests.

(6) Partner Nonrecourse Deductions -- Any partner nonrecourse deductions (within the meaning of Treasury Reg. Sections 1.704-2(b)(1) and 1.704-2(b)(2)) for any fiscal year

shall be allocated to the Member who bears the economic risk of loss with respect to the partner nonrecourse debt (within the meaning of Treasury Reg. Section 1.704-2(b)(4)) to which such partner nonrecourse deductions are attributable in accordance with Treasury Reg. Section 1.704-2(i)(1).

(7) Other Mandatory Allocations -- In the event Section 704(c) of the Internal Revenue Code or the Regulations thereunder require allocations in a manner different than that set forth above in this Article 8, the provisions of Section 704(c) and the Regulations thereunder shall control such allocations among the Members.

It is the intention of the Members that the allocations hereunder shall be deemed to have "substantial economic effect" within the meaning of Section 704 of the Internal Revenue Code and Treasury Reg. Section 1.704-1. Should the provisions of this Agreement be inconsistent with or in conflict with Section 704 of the Code or the Regulations there under, then Section 704 of the Code and the Regulations shall be deemed to override the contrary provisions hereof. If Section 704 or the Regulations at any time require that limited liability company operating agreements contain provisions which are not expressly set forth herein, such provisions shall be incorporated into this Agreement by reference and shall be deemed a part of this Agreement to the same extent as though they had been expressly set forth herein, and the Managing Members shall be authorized by an instrument in writing to amend the terms of this Agreement to add such provisions, and any such amendment shall be retroactive to whatever extent required to create allocations with a substantial economic effect.

8. Books, Records and Tax Returns

At all times during the continuance of the Limited Liability Company, the Managing Members shall keep or cause to be kept complete and accurate records and books of account in which shall be entered each transaction of the Limited Liability Company in accordance with generally accepted accounting principles.

The fiscal year of the Limited Liability Company for both accounting and income tax purposes shall be the calendar year. The Limited Liability Company shall report its operations, net income and net losses in accordance with the methods of accounting selected by the Managing Members.

The Managing Members may employ on behalf of the Limited Liability Company and at the expenses of the Limited Liability Company such firm of certified public accountants as the Managing Members in their sole discretion deems appropriate to serve as the Limited Liability Company's accountants.

The Managing Members shall furnish to each Member, within seventy-five days after the end of each fiscal year, an annual report of the Limited Liability Company which shall include a balance as of the end of such fiscal year; a profit and loss statement of the Limited Liability Company for such fiscal year; a statement of the balance in the capital account of such Member; and the amount of such Member's share of the Limited Liability Company's income, gain, losses, deductions and other relevant items for Federal income tax purposes.

The Managing Members shall prepare or cause to be prepared all Federal, State and local income tax and information returns for the Limited Liability Company, and shall cause such tax and information returns to be filed timely with the appropriate governmental authorities. Within seventy-five days after the end of each fiscal year, the Managing Members shall forward to each person who was a Member during the preceding fiscal year a true copy of the Limited Liability Company's information return filed with the Internal Revenue Service for the preceding fiscal year. The Managing Members shall not be liable to any Member if any taxing authority disallows or adjusts any deductions or credits in the Limited Liability Company's income tax or information returns.

All elections required or permitted to be made by the Limited Liability Company under the Internal Revenue Code, and the Managing Members shall make the designation of a tax matters partner pursuant to Section 6231(a) (7) of the Internal Revenue Code for all purposes permitted or required by the Code. The tax matters partner shall take such action as may be necessary to cause each other Member to become a notice member within the meaning of Section 6223 of the Code. The tax matters partner may not take any action contemplated by Sections 6222 through 6232 of the Code without the consent of the Managing Members.

All such records, books of account, tax and information returns, and reports and statements, together with executed copies of this Agreement, shall at all times be maintained at the principal place of business of the Limited Liability Company, and shall be open to the inspection and examination of the Members or their duly authorized representatives during regular business hours. Each Member, or a duly authorized representative of such Member, may make copies of the Limited Liability Company's books of account and records at the expense of such Member. Any Member, at the expense of such Member, may conduct an audit of the Limited Liability Company's books of account and records.

The Managing Members shall furnish to each Member, promptly upon request, a current list of the names and addresses of all of the Managing Members and other Members of the Limited Liability Company, and any other persons or entities having any financial interest in the Limited Liability Company.

The cost of preparing all of the aforesaid records, books, returns and other items shall be borne by the Limited Liability Company. Upon request of the Managing Members, the Members shall pay to the Limited Liability Company, in proportion to the Members' Percentage Interests, the cost of preparing same, not to exceed in the aggregate \$2,000 for each fiscal year.

9. Bank Accounts

All funds of the Limited Liability Company shall be deposited in the Limited Liability Company's name in such bank account or the Managing Members shall designate accounts as. Withdrawals from any such bank accounts shall be made only in the regular course of business of the Limited Liability Company and shall be made upon such signature or signatures as the Managing Members from time to time may designate.

10. Management of the Limited Liability Company

The Members hereby designate Amir Eskafyan, having an address at 7322 Southwest Freeway, Suite 1080, Houston TX 77074, to serve as Managing Member for the Limited Liability Company.

The business and affairs of the Limited Liability Company shall be conducted and managed by the Managing Members of the Limited Liability Company in accordance with this Agreement and the laws of Texas (State of organization).

At any time there is more than one Managing Member, a majority in number of the Managing Members shall decide any difference arising as to any matter within the authority of Managing Members.

If at any time the Managing Members do not own, in the aggregate, at least 20 percent of the Members' Percentage Interests, all of the Members shall be Managing Members until such time as the Members duly elect Managing Members who do own at least 20 percent of the Members' Percentage Interests.

The Managing Members shall have responsibility for the day-to-day management of the business and affairs of the Limited Liability Company and shall devote such time and attention as the Managing Members deem necessary to the conduct and management of the business and affairs of the Limited Liability Company.

Each of the Managing Members hereby is given sole power and authority to execute instruments on behalf of the Limited Liability Company and to otherwise bind the Limited Liability Company. Unless authorized by the Managing Members, no other person shall have the power or authority to execute instruments on behalf of the Limited Liability Company and to otherwise bind the Limited Liability Company. No person, firm or corporation dealing with the Limited Liability Company shall be required to investigate the authority of the Managing Members or to secure the approval of or confirmation by the Members of any act of the Managing Members in connection with the business or affairs of the Limited Liability Company.

No Member, other than the Managing Members or their designees, shall have the authority, or shall take any action as a Member, to bind the Limited Liability Company.

Notwithstanding any other provision of this Agreement, the Managing Members shall not, without the prior written consent of the affirmative vote or consent of Members holding a majority of the Members' Percentage Interests, sell, exchange, lease, assign or otherwise transfer all or substantially all of the assets of the Limited Liability Company; borrow money on behalf of the Limited Liability Company in the excess of \$100,000; lend any Limited Liability Company funds or other assets to any person in an amount or with a value in the excess of \$20,000; establish any reserves for working capital repairs, replacements, improvements or any other purpose, in excess of an aggregate of \$10,000; confess a judgment against the Limited Liability Company; settle, compromise or release, discharge or pay any claim, demand or debt in excess of \$10,000, including claims for insurance; approve a merger or consolidation of the Limited Liability Company with or into any other limited liability company, corporation, partnership or other entity; or change the nature or character of the business of the Limited Liability Company.

The Managing Members shall be reimbursed by the Limited Liability Company for all direct out-of-pocket expenses incurred by the Managing Members on behalf of the Limited Liability Company in connection with the performance of their duties hereunder, including without limitation amounts payable by the Managing Members for office, accounting, bookkeeping and other services, materials, facilities and professional and legal services rendered or furnished to the Limited Liability Company.

As compensation for the services of the Managing Members in arranging the transactions contemplated by the Limited Liability Company and the continuing management of the Limited Liability Company, the Limited Liability Company shall pay the Managing Members a limited liability company management fee of \$120,000 per annum payable monthly. The compensation for the services of the Managing Members to the Limited Liability Company may be modified from time to time by the affirmative vote or consent of Members holding a majority of the Members' Percentage Interests.

A Managing Member's duty of care in the discharge of the Managing Member's duties to the Limited Liability Company and the Members is limited to refraining from engaging in grossly negligent conduct, intentional misconduct, or a knowing violation of law. In discharging the duties of a Managing Member, the Managing Member shall be fully protected in relying in good faith upon the records of the Limited Liability Company and upon such information, opinions, reports or statements by other Managing Members, Members, agents or other persons as to matters the Managing Member reasonably believes are within such person's professional or expert competence, including without limitation information, opinions, reports or statements as to the value or amount of the assets, liabilities, profits or losses of the Limited Liability Company or any other facts pertinent to the existence and amount of assets from which distributions to Members might properly be paid.

To the extent of the Limited Liability Company's assets, and to the extent permitted by law, the Limited Liability Company shall indemnify and hold each Managing Member harmless from and against all liability, claim, loss, damage or expense, including reasonable attorneys' fees, incurred by the Managing Member by reason of any act or omission of the Managing Member made in good faith on behalf of the Limited Liability Company.

Except as expressly provided elsewhere in this Agreement, any decisions which are to be made by the Members, rather than the Managing Members, shall be made by the affirmative vote or consent of Members holding a majority of the Members' Percentage Interests.

11. Assignment of Interests

Except as otherwise provided in this Agreement, no Member or other person holding any interest in the Limited Liability Company may assign, pledge, hypothecate, transfer or otherwise dispose of all or any part of his interest in the Limited Liability Company, including without limitation the capital, profits or distributions of the Limited Liability Company without the prior written consent of the other Members in each instance.

The Members agree that no Member may voluntarily withdraw from the Limited Liability Company without the affirmative vote or consent of Members holding a majority of the Members' Percentage Interests (other than the withdrawing Member).

A Member may assign all or any part of such Member's interest in the allocations and distributions of the Limited Liability Company to any of the following (collectively the "permitted assignees"): any person, corporation, partnership or other entity as to which the Limited Liability Company has given consent to the assignment of such interest in the allocations and distributions of the Limited Liability Company by the affirmative vote or consent of Members holding a majority of the Members' Percentage Interests. An assignment to a permitted assignee shall only entitle the permitted assignee to the allocations and distributions to which the assigned interest is entitled, unless such permitted assignee applies for admission to the Limited Liability Company and is admitted to the Limited Liability Company as a Member in accordance with this Agreement.

An assignment, pledge, hypothecation, transfer or other disposition of all or any part of the interest of a Member in the Limited Liability Company or other person holding any interest in the Limited Liability Company in violation of the provisions hereof shall be null and void for all purposes.

No assignment, transfer or other disposition of all or any part of the interest of any Member permitted under this Agreement shall be binding upon the Limited Liability Company unless and until a duly executed and acknowledged counterpart of such assignment or instrument of transfer, in form and substance satisfactory to the Managing Members, has been delivered to the Limited Liability Company.

No assignment or other disposition of any interest of any Member may be made if such assignment or disposition, alone or when combined with other transactions, would result in the termination of the Limited Liability Company within the meaning of Section 708 of the Internal Revenue Code or under any other relevant section of the Code or any successor statute. No assignment or other disposition of any interest of any Member may be made without an opinion of counsel satisfactory to the Managing Members that such assignment or disposition is subject to an effective registration under, or exempt from the registration requirements of, the applicable State and Federal securities laws. No interest in the Limited Liability Company may be assigned or given to any person below the age of 21 years or to a person who has been adjudged to be insane or incompetent.

Anything herein contained to the contrary, the Managing Members and the Limited Liability Company shall be entitled to treat the record holder of the interest of a Member as the absolute owner thereof, and shall incur no liability by reason of distributions made in good faith to such record holder, unless and until there has been delivered to the Managing Members the assignment or other instrument of transfer and such other evidence as may be reasonably required by the Managing Members to establish to the satisfaction of the Managing Members that an interest has been assigned or transferred in accordance with this Agreement.

12. Admission of New Members

The Members may admit new Members (or transferees of any interests of existing Members) into the Limited Liability Company by the unanimous vote or consent of the Members.

As a condition to the admission of a new Member, such Member shall execute and acknowledge such instruments, in form and substance satisfactory to the Managing Members, as the Managing Members may deem necessary or desirable to effectuate such admission and to confirm the agreement of such Member to be bound by all of the terms, covenants and conditions of this Agreement, as the same may have been amended. Such new Member shall pay all reasonable expenses in connection with such admission, including without limitation reasonable attorneys' fees and the cost of the preparation, filing or publication of any amendment to this Agreement or the Articles of Organization, which the Managing Members may deem necessary or desirable in connection with such admission.

No new Member shall be entitled to any retroactive allocation of income, losses, or expense deductions of the Limited Liability Company. The Managing Members may make pro rata allocations of income, losses or expense deductions to a new Member for that portion of the tax year in which the Member was admitted in accordance with Section 706(d) or the Internal Revenue Code and regulations there under.

In no event shall a new Member be admitted to the Limited Liability Company if such admission would be in violation of applicable Federal or State securities laws or would adversely affect the treatment of the Limited Liability Company as a partnership for income tax purposes.

13. Withdrawal Events Regarding Members and Election to Continue the Limited Liability Company

In the event of the death, retirement, withdrawal, expulsion, or dissolution of a Member, or an event of bankruptcy or insolvency, as hereinafter defined, with respect to a Member, or the occurrence of any other event which terminates the continued membership of a Member in the Limited Liability Company pursuant to the laws of Texas (State of organization) (each of the foregoing being hereinafter referred to as a "Withdrawal Event"), the Limited Liability Company shall terminate sixty days after notice to the Members of such Withdrawal Event unless the business of the Limited Liability Company is continued as hereinafter provided.

Notwithstanding a Withdrawal Event with respect to a Member, the Limited Liability Company shall not terminate, irrespective of applicable law, if within aforesaid sixty day period the remaining Members, by the affirmative vote or consent of Members holding a majority of the Members' Percentage Interests (other than the Member who caused the Withdrawal Event), shall elect to continue the business of the Limited Liability Company.

In the event of a Withdrawal Event with respect to any Member, any successor in interest to such Member (including without limitation any executor, administrator, heir, committee, guardian, or other representative or successor) shall not become entitled to any rights or interest of such Member in the Limited Liability Company, other than the allocations and distributions to which such Member is entitled, unless such successor in interest is admitted as a Member in accordance with this Agreement.

An "event of bankruptcy or insolvency" with respect to a Member shall occur if such Member: applies for or consents to the appointment of a receiver, trustee or liquidator of all or a substantial part of his assets; or makes a general assignment for the benefit of creditors; or is adjudicated a bankrupt or an insolvent; or files a voluntary petition in bankruptcy or a petition or an answer seeking an arrangement with creditors or to take advantage of any bankruptcy, insolvency, readjustment of debt or similar law or statute, or an answer admitting the material allegations of a petition filed against him in any bankruptcy, insolvency, readjustment of debt or similar proceedings; or takes any action for the purpose of effecting any of the foregoing; or an order, judgment or decree shall be entered, with or without the application, approval

or consent of such Member, by any court of competent jurisdiction, approving a petition for or appointing a receiver or trustee of all or a substantial part of the assets of such Member, and such order, judgment or decree shall continue unstayed and in effect for thirty days.

14. Dissolution and Liquidation

The Limited Liability Company shall terminate upon the occurrence of any of the following: the election by the Members to dissolve the Limited Liability Company made by the unanimous vote or consent of the Members; the occurrence of a Withdrawal Event with respect to a Member and the failure of the remaining Members to elect to continue the business of the Limited Liability Company as provided for in Article 14 above; or any other event which pursuant to this Agreement, as the same may hereafter be amended, shall cause a termination of the Limited Liability Company.

The liquidation of the Limited Liability Company shall be conducted and supervised by the Managing Members or if there be none then by a person designated for such purposes by the affirmative vote or consent of Members holding a majority of the Members' Percentage Interests (the "Liquidating Agent"). The Liquidating Agent hereby is authorized and empowered to execute any and all documents and to take any and all actions necessary or desirable to effectuate the dissolution and liquidation of the Limited Liability Company in accordance with this Agreement.

Promptly after the termination of the Limited Liability Company, the Liquidating Agent shall cause to be prepared and furnished to the Members a statement setting forth the assets and liabilities of the Limited Liability Company as of the date of termination. The Liquidating Agent, to the extent practicable, shall liquidate the assets of the Limited Liability Company as promptly as possible, but in an orderly and businesslike manner so as not to involve undue sacrifice and in accordance with the provisions of the Texas (State of Organization) Limited Liability Company Act.

The proceeds of sale and all other assets of the Limited Liability Company shall be applied and distributed in the following order of priority: (a) to the payment of the expenses of liquidation and the debts and liabilities of the Limited Liability Company, other than debts and liabilities to Members; (b) to the payment of debts and liabilities to Members; (c) to the setting up of any reserves which the Liquidating Agent may deem necessary or desirable for any contingent or unforeseen liabilities or obligations of the Limited Liability Company, which reserves shall be paid over to an attorney-at-law admitted to practice in the State of Texas as escrowee, to be held for a period of two years for the purpose of payment of the aforesaid liabilities and obligations, at the expiration of which period the balance of such reserves shall be distributed as hereinafter provided; (d) to the Members in proportion to their respective capital accounts until each Member has received cash distributions equal to any positive balance in his capital account, in accordance with the rules and requirements of Treasury Reg. Section 1.704-1(b)(2)(ii)(b); and (e) to the Members in proportion to the Members' Percentage Interests.

The liquidation shall be complete within the period required by Treasury Reg. Section 1.704-1(b)(2)(ii)(b).

If the Liquidating Agent shall determine that it is not practicable to liquidate all of the assets of the Limited Liability Company, the Liquidating Agent may retain assets having a fair market value equal to the amount by which the net proceeds of liquidated assets are insufficient to satisfy the debts and liabilities referred to above. If, in the absolute judgment of the Liquidating Agent, it is not feasible to distribute to each Member his proportionate share of each asset, the Liquidating Agent may allocate and distribute specific assets to one or more Member in such manner as the Liquidating Agent shall determine to be fair and equitable, taking into consideration the basis for tax purposes of each asset.

Upon compliance with the distribution plan, the Members shall cease to be such, and the Managing Members shall execute, acknowledge and cause to be filed such certificates and other instruments as may be necessary or appropriate to evidence the dissolution and termination of the Limited Liability Company.

15. Representations Of Members

Each of the Members represents, warrants and agrees that the Member is acquiring the interest in the Limited Liability Company for the Member's own account as an investment and not with a view to the sale or distribution thereof; the Member, if an individual, is over the age of 21, or if the Member is an organization, such organization is duly organized, validly existing and in good standing under the laws of its State of organization and that it has full power and authority to execute and perform its obligations under this Agreement; and the Member shall not dispose of such interest or any part thereof in any manner which would constitute a violation of the Securities Act of 1933, the Rules and Regulations of the Securities and Exchange Commission, or any applicable laws, rules or regulations of any State or other governmental authorities, as the same may be amended.

16. Certificates Evidencing Membership

A Certificate of Membership issued by the Managing Members shall evidence every membership interest in the Limited Liability Company. Each Certificate of Membership shall set forth the name of the Member holding the membership interest and the Member's Percentage Interest held by the Member, and shall bear the following legend:

The membership interest represented by this certificate is subject to, and may not be transferred except in accordance with, the provisions of the Operating Agreement of TORCH ENERGY SOLUTIONS, LLC,(LLC name) dated as of July 12, 2012, as the same from time to time may be amended, a copy of which Operating Agreement is on file at the principal office of the Limited Liability Company.

The Members agree promptly to deliver to the Managing Members any Certificates of Membership previously issued for the purpose of adding the foregoing legend thereto.

17. Notices

All notices, demands, requests or other communications which any of the parties to this Agreement may desire or be required to give hereunder shall be in writing and shall be deemed to have been properly given if sent by FedEx or similar private express service or by registered or certified mail, return receipt requested, with postage prepaid, addressed as follows: (a) if to the Limited Liability Company, to the Limited Liability Company c/o the Managing Members at their address first above written or to such other address or addresses as may be designated by the Limited Liability Company or the Managing Members by notice to the Members pursuant to this Article 17; (b) if to the Managing Members, to the Managing Members at their address first above written or to such other address or addresses as may be designated by the Managing Members by notice to the Limited Liability Company and the Members pursuant to this Article 18; and (c) if to any Member, to the address of said Member first above written, or to such other address as may be designated by said Member by notice to the Limited Liability Company and the other Members pursuant to this Article 17. Each Member shall keep the Limited Liability Company and the other Members informed of such Member's current address.

18. Amendments

This Agreement may not be altered, amended, changed, supplemented, waived or modified in any respect or particular unless the same shall be in writing and agreed to by the affirmative vote or consent of Members holding two-thirds of the Members' Percentage Interests. No amendment may be made to Articles 5, 7, 12 and 14 hereof, insofar as said Articles apply to the financial interests of the Members, except by the vote or consent of all of the Members. No amendment of any provision of this Agreement relating to the voting requirements of the Members on any specific subject shall be made without the affirmative vote or consent of at least the number or percentage of Members required to vote on such subject.

19. Miscellaneous

This Agreement and the rights and liabilities of the parties hereunder shall be governed by and determined in accordance with the laws of the State of Texas (State of organization). Every provision of this Agreement is intended to be severable. If any provision of this Agreement shall be invalid or unenforceable, such invalidity or unenforceability shall not affect the other provisions of this Agreement, which shall remain in full force and effect.

The captions in this Agreement are for convenience only and are not to be considered in construing this Agreement. All pronouns shall be deemed to be the masculine, feminine, neuter, singular or plural as the identity of the person or persons may require. References to a person or persons shall include partnerships, corporations, limited liability companies, unincorporated associations, trusts, estates and other types of entities. The Managing Members and the Members collectively are referred to herein as the Members. Any one of the Members is referred to herein as a Member. References to the Internal Revenue Code shall mean the Internal Revenue Code of 1986, as amended, and any successor or superseding Federal revenue statute.

This Agreement, and any amendments hereto may be executed in counterparts all of whom taken together shall constitute one agreement.

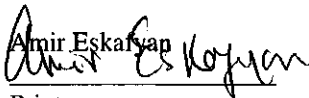
This Agreement sets forth the entire agreement of the parties hereto with respect to the subject matter hereof. It is the intention of the Members that this Agreement shall be the sole source of agreement of the parties, and, except to the extent a provision of this Agreement provides for the incorporation of Federal income tax rules or is expressly prohibited or ineffective under the Texas (State of organization) Limited Liability Company Act, as the same may be amended from time to time, this Agreement shall govern even when inconsistent with, or different from, the provisions of any applicable law or rule. To the extent any provision of this Agreement is prohibited or otherwise ineffective under the Texas (State of organization) Limited Liability Company Act, such provision shall be considered to be ineffective to the smallest degree possible in order to make this Agreement effective under the Texas (State of organization) Limited Liability Company Act.

Subject to the limitations on transferability contained herein, this Agreement shall be binding upon and inure to the benefit of the parties hereto and to their respective heirs, executors, administrators, successors and assigns.

No provision of this Agreement is intended to be for the benefit of or enforceable by any third party.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first above written.

Managing Member 1

Amir Eskafyan


Print:

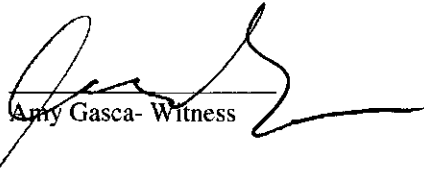

 Amy Gasca- Witness



Exhibit-A14

Office of the Secretary of State

May 08, 2013

Amir Eskafyan
5803 Beacon Falls
Kingwood, TX 77345 USA

RE: Torch Energy Solutions, LLC
File Number: 801625455

It has been our pleasure to file the Certificate of Amendment for the referenced entity. Enclosed is the certificate evidencing filing. Payment of the filing fee is acknowledged by this letter.

If we may be of further service at any time, please let us know.

Sincerely,

Corporations Section
Business & Public Filings Division
(512) 463-5555

Enclosure



Exhibit- A14

Office of the Secretary of State

CERTIFICATE OF FILING OF

Torch Energy Solutions, LLC
801625455

[formerly: Younique Energy Services, LLC]

The undersigned, as Secretary of State of Texas, hereby certifies that a Certificate of Amendment for the above named entity has been received in this office and has been found to conform to the applicable provisions of law.

ACCORDINGLY, the undersigned, as Secretary of State, and by virtue of the authority vested in the secretary by law, hereby issues this certificate evidencing filing effective on the date shown below.

Dated: 04/26/2013

Effective: 04/26/2013



A handwritten signature of John Steen in black ink.

John Steen
Secretary of State

Exhibit A-15 "Secretary of State,"

Attached is the Secretary of State - OHIO

201324101241

DATE: 08/30/2013	DOCUMENT ID 201324101241	DESCRIPTION REG. OF FOR. PROFIT LIM. LIAB. CO. (LFP)	FILING 125.00	EXPED .00	PENALTY .00	CERT .00	COPY .00
---------------------	-----------------------------	--	------------------	--------------	----------------	-------------	-------------

Receipt

This is not a bill. Please do not remit payment.

Exhibit- A15

TORCH ENERGY SOLUTIONS, LLC - AMIR ESKAFYAN
7322 SOUTHWEST FREEWAY
SUITE 1080
HOUSTON, TX 77074

**STATE OF OHIO
CERTIFICATE**

**Ohio Secretary of State, Jon Husted
2226371**

It is hereby certified that the Secretary of State of Ohio has custody of the business records for

TORCH ENERGY SOLUTIONS, LLC

and, that said business records show the filing and recording of:

Document(s)

REG. OF FOR. PROFIT LIM. LIAB. CO.

Document No(s):

201324101241

Effective Date: 08/29/2013



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

Witness my hand and the seal of the
Secretary of State at Columbus, Ohio
this 30th day of August, A.D. 2013.

Jon Husted

Ohio Secretary of State

[Print this report](#)

Exhibit - A15

Corporation Details

Corporation Details		
Entity Number	2226371	
Business Name	TORCH ENERGY SOLUTIONS, LLC	
Filing Type	FOREIGN LIMITED LIABILITY COMPANY	
Status	Active	
Original Filing Date	08/29/2013	
Expiry Date		
Location:	County:	State: TEXAS
Agent / Registrant Information		
CAPITOL CORPORATE SERVICES, INC. 4568 MAYFIELD RD., STE. 204 CLEVELAND, OH 44121 Effective Date: 08/29/2013 Contact Status: Active		
Filings		
Filing Type	Date of Filing	Document Number/Image
REG. OF FOR. PROFIT LIM. LIAB. CO.	08/29/2013	201324101241

Exhibit B-1 “Jurisdictions of Operation,”

Texas, New York. Illinois and seeking application in Ohio, Maryland, Pennsylvania, Massachusetts, California, Main and Connecticut.

Exhibit B-2 "Experience & Plans,"

Torch Energy Solutions, LLC (Formally named Yunique Services, LLC - Named changed on April 26, 2013) was founded on July 12, 2012 by Amir Eskafyan. The business was formed to consult to residential and business owners in effort to assist them to choose a retail provider with clear and simple way to understand their choice. The goal of Torch Energy is help its clients to reduce their expense in energy cost. Torch Energy Solutions's Founder, Amir Eskafyan has been associated with energy since 2004 as an intern within AmPro Energy, Inc, a Texas retail provider, and then continued his college education in Energy Management along with various internships including Choice Energy Broker retail services and CGA Energy Consulting customers in Texas.

Torch Energy is currently active in Texas, New York and recently Certified in Illinois in July 2013, and has assisted multiple clients both residential and commercial business in making the right choice to switch and participate in the deregulated markets. The future plan and vision of Torch Energy is to grow its customer base thru referral programs and utilizing high-level technology.

Manuel Gasca – Senior Market Analyst

Experienced ISO settlements and revenue analyst, self-motivated with an ability to achieve and exceed goals while meeting deadlines, with proven leadership, project management and team building skills. Expertise in staff management and training. Bilingual and strong computer capabilities.

SKILLS: ISO settlements analysis and process optimization
Report creation for Executive leadership
Cost and revenue analysis for large scale projects
Forecasting and advanced analysis of large data
Pricing, settlements and billing system design

EXPERIENCE: Torch Energy Solutions - Senior Market Analyst

- Develop savings analysis and support training for Sales team.
- Website analytic tools development.
- Design load forecasting model and monitor market rates.

CGA Energy -Houston, Texas

Retail Electric Provider Consultant

- Saved \$50,000 by designing a load forecasting model for a retail electric provider. The position report measures monthly imbalance to analyze ISO and bilateral agreements, ROI and gross margin to support operational and financial decision-making analyses.
- Optimized customer's operations, reducing the work time by 90%, managed projects infrastructure, work and learning environment, technology and tools to assure quality, resources and budget.

Glacial Energy - ISO Settlements and Revenue Manager

- Led the Billing and ISO Settlement department, maintaining data integrity and automated the process of complex analysis for 17,000 accounts, reducing the work time from 8 hours to 45 minutes, saving the company over \$250,000 USD.
- Managed a \$150,000,000 USD revenue portfolio to provide decision making information to President and CFO, gross margin reporting and cost for NYISO, PJM, ERCOT, MISO and NEISO.
- Optimized the process of validation and allocation of cost to a customer level to deliver 10,000 invoices per month, improving the processing time by 40%
- Built statistics models to estimate yearly revenue. Designed a financial model with metrics to analyze and reconcile wholesale operations, bilateral agreements and ISO invoices for 11 deregulated States producing savings around 5% of the monthly cost.
- Coordinated the Pricing desk group to support the sales work force providing savings analysis reducing by 40% the time of response for the average of 250 pricing requests.

AmPro Energy LP - Pricing Analyst

- Developed multiple sophisticated models to process pricing and savings analysis in all deregulated areas of the Texas market, summarized billing, wholesale supply invoice comparison, meter data management and usage forecast, reducing the processing time by 70% to create an average of 100 pricing reports per month.
- Set-up templates to download ISO settlements and create shadow settlements, pricing structures for new service areas where the company was looking to expand.

Amy Gasca

Energy Executive - Advisory Board -Torch Energy Solutions, LLC

Amy Gasca has been a leader at Entrust Energy since the company's inception. She is now responsible for new business development with specific responsibilities to obtain certifications to enter the multiple markets, Operations and wholesale supply as Entrust Energy expands into new markets across the U.S. Before moving into this role, she served as Entrust Energy's Vice President of Commercial Operations, where she was responsible for Operations, IT, Regulatory and Customer Care. During this time, she managed Entrust Energy's entrance into the Texas market.

Amy Gasca has led a successful career in the retail electricity, natural gas and crude oil industries. She and has held a number of positions including a current position as President of CGA Energy, and Advisory Board Mmember of Torch Energy Solutions,. Ms. Gasca's prior experience includes Chief Operations Officer for Glacial Energy Holdings; Founder and President of AmPro Energy LP; Vice President at Constellation NewEnergy, Inc.; Operations Energy Manager for Shell Energy Service, Inc.; Executive Team Member of Occidental Petroleum – MidCon Energy – mc2; Manager and Trader at The Peoples Gas Light & Coke Company; and various positions with BP/Amoco Oil, Inc.

Gasca holds a Master of Business Administration (with emphasis in Information Systems) from Loyola University, a Master of Science in Economics (with emphasis in Econometrics) from Northern Illinois University and a Bachelor of Science in Business Administration and Economics from Northern Illinois University. Gasca actively participates on a number of professional boards and organizations including the Women's Energy Network, North East Hispanic Chamber of Commerce, the Kingwood Chapter of Rotary International, Texas Region 5890, the National Association Regulatory Utilities Commissioners Partnership Program and the North American Energy Standards Board Retail Power, to name a few.

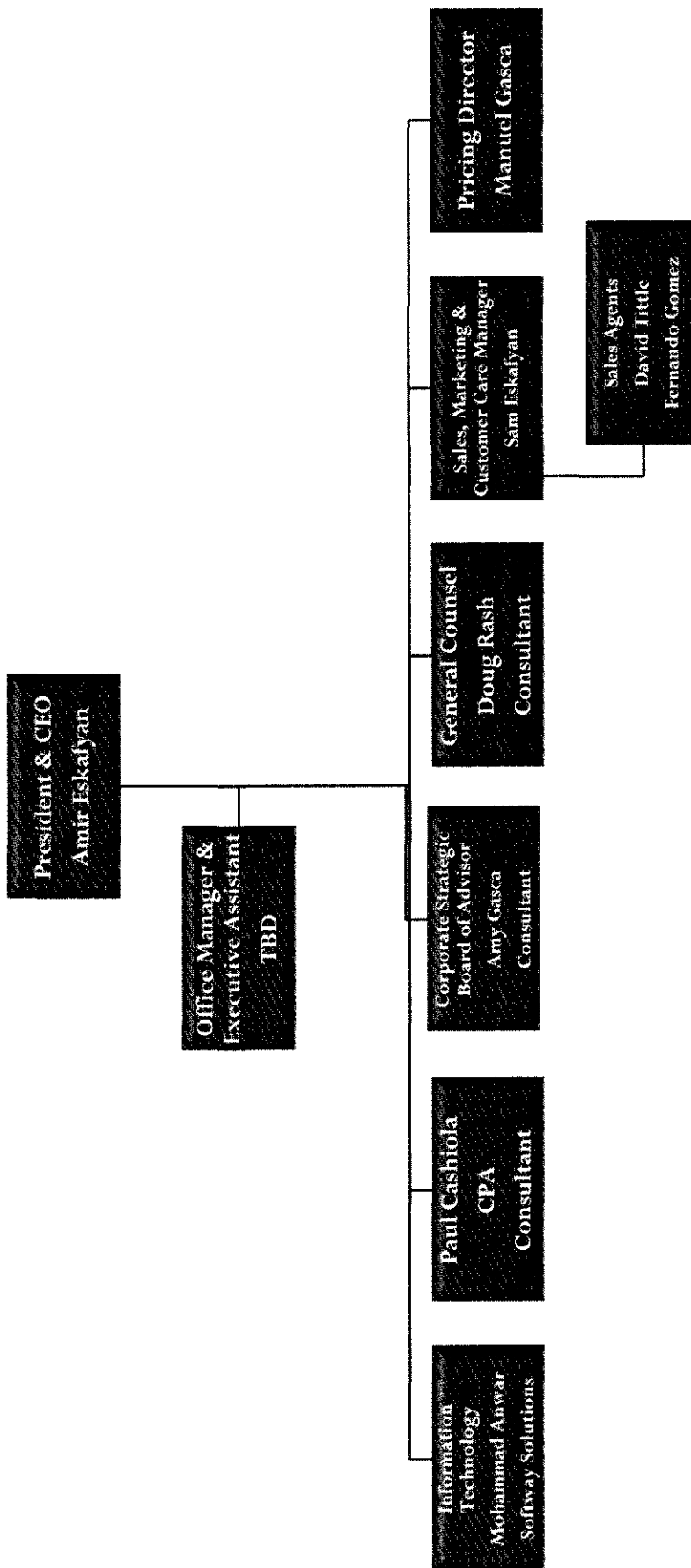


Exhibit B-3 "Summary of Experience,"

Torch Energy Solutions, LLC (Formally named Yunique Services, LLC - Named changed on April 26, 2013) was founded on July 12, 2012 by Amir Eskafyan. The business was formed to consult to residential and business owners in effort to assist them to choose a retail provider with clear and simple way to understand their choice. The goal of Torch Energy is help its clients to reduce their expense in energy cost. Torch Energy Solutions's Founder, Amir Eskafyan has been associated with energy since 2004 as an intern within AmPro Energy, Inc, a Texas retail provider, and then continued his college education in Energy Management along with various internships including Choice Energy Broker retail services and CGA Energy Consulting customers in Texas.

Torch Energy is currently active in Texas, New York and recently Certified in Illinois in July 2013, and has assisted multiple clients both residential and commercial business in making the right choice to switch and participate in the deregulated markets. The future plan and vision of Torch Energy is to grow its customer base thru referral programs and utilizing high-level technology.

Manuel Gasca – Senior Market Analyst

Experienced ISO settlements and revenue analyst, self-motivated with an ability to achieve and exceed goals while meeting deadlines, with proven leadership, project management and team building skills. Expertise in staff management and training. Bilingual and strong computer capabilities.

SKILLS: ISO settlements analysis and process optimization
Report creation for Executive leadership
Cost and revenue analysis for large scale projects
Forecasting and advanced analysis of large data
Pricing, settlements and billing system design

EXPERIENCE: Torch Energy Solutions - Senior Market Analyst

- Develop savings analysis and support training for Sales team.
- Website analytic tools development.
- Design load forecasting model and monitor market rates.

CGA Energy -Houston, Texas

Retail Electric Provider Consultant

- Saved \$50,000 by designing a load forecasting model for a retail electric provider. The position report measures monthly imbalance to analyze ISO and bilateral agreements, ROI and gross margin to support operational and financial decision-making analyses.
- Optimized customer's operations, reducing the work time by 90%, managed projects infrastructure, work and learning environment, technology and tools to assure quality, resources and budget.

Glacial Energy - ISO Settlements and Revenue Manager

- Led the Billing and ISO Settlement department, maintaining data integrity and automated the process of complex analysis for 17,000 accounts, reducing the work time from 8 hours to 45 minutes, saving the company over \$250,000 USD.
- Managed a \$150,000,000 USD revenue portfolio to provide decision making information to President and CFO, gross margin reporting and cost for NYISO, PJM, ERCOT, MISO and NEISO.
- Optimized the process of validation and allocation of cost to a customer level to deliver 10,000 invoices per month, improving the processing time by 40%
- Built statistics models to estimate yearly revenue. Designed a financial model with metrics to analyze and reconcile wholesale operations, bilateral agreements and ISO invoices for 11 deregulated States producing savings around 5% of the monthly cost.
- Coordinated the Pricing desk group to support the sales work force providing savings analysis reducing by 40% the time of response for the average of 250 pricing requests.

AmPro Energy LP - Pricing Analyst

- Developed multiple sophisticated models to process pricing and savings analysis in all deregulated areas of the Texas market, summarized billing, wholesale supply invoice comparison, meter data management and usage forecast, reducing the processing time by 70% to create an average of 100 pricing reports per month.
- Set-up templates to download ISO settlements and create shadow settlements, pricing structures for new service areas where the company was looking to expand.

Amy Gasca

Energy Executive - Advisory Board -Torch Energy Solutions, LLC

Amy Gasca has been a leader at Entrust Energy since the company's inception. She is now responsible for new business development with specific responsibilities to obtain certifications to enter the multiple markets, Operations and wholesale supply as Entrust Energy expands into new markets across the U.S. Before moving into this role, she served as Entrust Energy's Vice President of Commercial Operations, where she was responsible for Operations, IT, Regulatory and Customer Care. During this time, she managed Entrust Energy's entrance into the Texas market.

Amy Gasca has led a successful career in the retail electricity, natural gas and crude oil industries. She and has held a number of positions including a current position as President of CGA Energy, and Advisory Board Mmember of Torch Energy Solutions,. Ms. Gasca's prior experience includes Chief Operations Officer for Glacial Energy Holdings; Founder and President of AmPro Energy LP; Vice President at Constellation NewEnergy, Inc.; Operations Energy Manager for Shell Energy Service, Inc.; Executive Team Member of Occidental Petroleum – MidCon Energy – mc2; Manager and Trader at The Peoples Gas Light & Coke Company; and various positions with BP/Amoco Oil, Inc.

Gasca holds a Master of Business Administration (with emphasis in Information Systems) from Loyola University, a Master of Science in Economics (with emphasis in Econometrics) from Northern Illinois University and a Bachelor of Science in Business Administration and Economics from Northern Illinois University. Gasca actively participates on a number of professional boards and organizations including the Women's Energy Network, North East Hispanic Chamber of Commerce, the Kingwood Chapter of Rotary International, Texas Region 5890, the National Association Regulatory Utilities Commissioners Partnership Program and the North American Energy Standards Board Retail Power, to name a few.

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

None

Exhibit B-5 "Disclosure of Consumer Protection Violations,"

None

Exhibit B-6 "Disclosure of Certification Denial, Curtailment, Suspension, or Revocation,"

None

Exhibit C-1 “Annual Reports,”

Torch Energy Solutions, LLC does not have an Annual Report

Exhibit C-2 “SEC Filings,”

None

Exhibit C-3 “Financial Statements,”

Exhibit C-4 “Financial Arrangements,”

None, Torch Energy Solutions, LLC is a privately held company self-funded by Founder Amir Eskafyan

Exhibit C-5 “Forecasted Financial Statements,”

Not Available at this time

Exhibit C-6 “Credit Rating,”

None

Exhibit C-7 "Credit Report,"

None

Exhibit C-8 “Bankruptcy Information,”

Torch Energy Solutions, LLC has never filed bankruptcy either locally or federally.

Exhibit C-9 “Merger Information,”

None

AFFIDAVIT

State of Texas :

Houston ss.
(Town)

County of Harris :

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

① He/She is the President (Office of Affiant) of Torch Energy Solutions LLC (Name of Applicant);

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

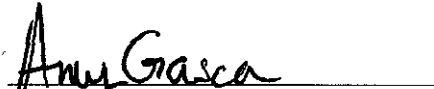
1. The Applicant herein, attests under penalty of false statement that all statements made in the application for certification are true and complete and that it will amend its application while the application is pending if any substantial changes occur regarding the information provided in the application.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

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

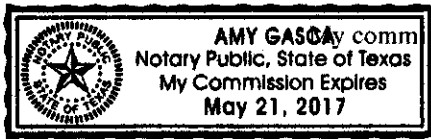
That the facts above set forth are true and correct to the best of his/her knowledge, information, and belief and that he/she expects said Applicant to be able to prove the same at any hearing hereof.


Signature of Affiant & Title

Sworn and subscribed before me this 26 day of August, 2013
Month Year


Signature of official administering oath


Print Name and Title



AMY GASCA commission expires on May 21, 2017
Notary Public, State of Texas
My Commission Expires
May 21, 2017