



Public Utilities Commission

PUCO USE ONLY		
Date Received	Case Number	Version
	15-2085-EL-CRS	December 2014

CERTIFICATION APPLICATION FOR RETAIL GENERATION PROVIDERS AND POWER MARKETERS

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

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

A. APPLICANT INFORMATION

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

- | | |
|---|---------------------------------------|
| <input type="checkbox"/> Retail Generation Provider | <input type="checkbox"/> Power Broker |
| <input type="checkbox"/> Power Marketer | <input type="checkbox"/> Aggregator |

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

Legal Name Arrow Energy RRH, LLC
Address 200 Park Avenue South #1301 New York, NY 10003
Telephone # (844) 907-6937 Web site address (if any) www.arrowenergy.us

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

Legal Name Arrow Energy RRH, LLC dba Arrow Energy
Address 144 North 7th Street #417 Brooklyn, NY 11249
Telephone # (844) 907-6937 Web site address (if any) www.arrowenergy.us

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

Arrow Energy

A-5 Contact person for regulatory or emergency matters

Name Briana Dudas
Title Regulatory and New Markets Manager
Business address 200 Park Avenue South Suite 1301 New York, NY 10003
Telephone # (646) 844-6144 Fax # (718) 305-4114
E-mail address (if any) compliance@rrhenergy.us

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

Name Gregory Hasiak
Title Operations Manager
Business address 144 North 7th Street #417 Brooklyn, NY 11249
Telephone # 718-853-2681 Fax # (877) 266-5208
E-mail address (if any) compliance@rrhenergy.us

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

Customer Service address 144 North 7th Street #417 Brooklyn, NY 11249
Toll-free Telephone # (844) 907-6937 Fax # (877) 266-5208
E-mail address (if any) info@arrowenergy.us

A-8 Applicant's federal employer identification number # 473352170

A-9 Applicant's form of ownership (check one)

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

A-10 (Check all that apply) Identify each electric distribution utility certified territory in which the applicant intends to provide service, including identification of each customer class that the applicant intends to serve, for example, residential, small commercial, mercantile commercial, and industrial. (A mercantile customer, as defined in (A) (19) of Section 4928.01 of the Revised Code, is a commercial customer who consumes more than 700,000 kWh/year or is part of a national account in one or more states).

- | | | | | |
|---|---|--|-------------------------------------|-------------------------------------|
| <input checked="" type="checkbox"/> First Energy | | | | |
| <input checked="" type="checkbox"/> Ohio Edison | <input checked="" type="checkbox"/> Residential | <input checked="" type="checkbox"/> Commercial | <input type="checkbox"/> Mercantile | <input type="checkbox"/> Industrial |
| <input checked="" type="checkbox"/> Toledo Edison | <input checked="" type="checkbox"/> Residential | <input checked="" type="checkbox"/> Commercial | <input type="checkbox"/> Mercantile | <input type="checkbox"/> Industrial |
| <input checked="" type="checkbox"/> Cleveland Electric Illuminating | <input checked="" type="checkbox"/> Residential | <input checked="" type="checkbox"/> Commercial | <input type="checkbox"/> Mercantile | <input type="checkbox"/> Industrial |
| <input checked="" type="checkbox"/> Duke Energy | <input checked="" type="checkbox"/> Residential | <input checked="" type="checkbox"/> Commercial | <input type="checkbox"/> Mercantile | <input type="checkbox"/> Industrial |
| <input checked="" type="checkbox"/> Monongahela Power | <input checked="" type="checkbox"/> Residential | <input checked="" type="checkbox"/> Commercial | <input type="checkbox"/> Mercantile | <input type="checkbox"/> Industrial |
| <input checked="" type="checkbox"/> American Electric Power | | | | |
| <input checked="" type="checkbox"/> Ohio Power | <input checked="" type="checkbox"/> Residential | <input checked="" type="checkbox"/> Commercial | <input type="checkbox"/> Mercantile | <input type="checkbox"/> Industrial |

<input checked="" type="checkbox"/> Columbus Southern Power	<input checked="" type="checkbox"/> Residential	<input checked="" type="checkbox"/> Commercial	<input type="checkbox"/> Mercantile	<input type="checkbox"/> Industrial
<input checked="" type="checkbox"/> Dayton Power and Light	<input checked="" type="checkbox"/> Residential	<input checked="" type="checkbox"/> Commercial	<input type="checkbox"/> Mercantile	<input type="checkbox"/> Industrial

A-11 Provide the approximate start date that the applicant proposes to begin delivering services

February 15, 2016

PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED:

A-12 **Exhibit A-12 "Principal Officers, Directors & Partners"** provide the names, titles, addresses and telephone numbers of the applicant's principal officers, directors, partners, or other similar officials.

A-13 **Exhibit A-13 "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 in North America.

A-14 **Exhibit A-14 "Company History,"** provide a concise description of the applicant's company history and principal business interests.

A-15 **Exhibit A-15 "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-16 **Exhibit A-16 "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.

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

B-3 **Exhibit B-3 "Summary of Experience,"** provide a concise summary of the applicant's experience in providing the service(s) it is seeking to be certified to provide (e.g. number and types of customers served, utility service areas, amount of load, etc.).

B-4 **Exhibit B-4 "Environmental Disclosure,"** provide a detailed description of how the applicant intends to determine its (a) generation resource mix, and (b) environmental characteristics, including air emissions and radioactive waste. This information shall include sufficient discussion so as to detail both the annual projection methodology and the proposed approach to compiling the quarterly actual environmental disclosure data. Additional details on this requirement may be obtained by referring to 4901:1-21-09.

B-5 **Exhibit B-5 "Disclosure of Liabilities and Investigations,"** provide a description of all existing, pending or past rulings, judgments, contingent liabilities, revocation of authority, regulatory investigations, or any other matter that could adversely impact the applicant's financial or operational status or ability to provide the services it is seeking to be certified to provide.

B-6 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-6 "Disclosure of Consumer Protection Violations"** detailing such violation(s) and providing all relevant documents.

B-7 Disclose whether the applicant or a predecessor of the applicant has had any certification, license, or application to provide retail or wholesale electric service denied, curtailed, suspended, revoked, or cancelled within the past two years.

☐ No ☐ Yes

If yes, provide a separate attachment labeled as **Exhibit B-7 "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.

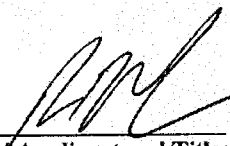
- C-2 Exhibit C-2 “SEC Filings,”** provide the most recent 10-K/8-K Filings with the SEC. If applicant does not have such filings, it may submit those of its parent company. If the applicant does not have such filings, then the applicant may indicate in Exhibit C-2 that the applicant is not required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

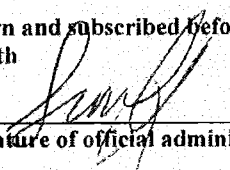
D. APPLICANT TECHNICAL CAPABILITY

PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED:

- D-1 Exhibit D-1 "Operations" provide a written description of the operational nature of the applicant's business. Please include whether the applicant's operations will include the generation of power for retail sales, the scheduling of retail power for transmission and delivery, the provision of retail ancillary services as well as other services used to arrange for the purchase and delivery of electricity to retail customers.
- D-2 Exhibit D-2 "Operations Expertise," given the operational nature of the applicant's business, provide evidence of the applicant's experience and technical expertise in performing such operations.
- D-3 Exhibit D-3 "Key Technical Personnel," provide the names, titles, e-mail addresses, telephone numbers, and the background of key personnel involved in the operational aspects of the applicant's business.
- D-4 Exhibit D-4 "FERC Power Marketer License Number," provide a statement disclosing the applicant's FERC Power Marketer License number. (Power Marketers only)

 President of Retail Operations
Signature of Applicant and Title

Sworn and subscribed before me this 15th day of December, 2015
Month Year


Signature of official administering oath

Samantha Lipsky, Sr. Accountant
Print Name and Title

SAMANTHA LIPSKY
Notary Public - State of New York
NO. 01LI6296169
Qualified in Kings County
Commission Expires Jan 27, 2018

My commission expires on 01/27/2018

AFFIDAVIT

State of NEW YORK :

NEW YORK CITY
(Town)

County of NEW YORK

Richard Booth

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

He/She is the President of (Office of Affiant) of Arrow Energy RRH, LLC (Name of Applicant);
Retail Operations ~~Arrow Energy~~

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.

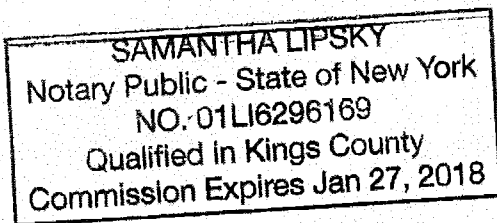
[Signature] President of Retail Operations
Signature of Affiant & Title

Sworn and subscribed before me this 15th day of December 2015
Month Year

[Signature]
Signature of official administering oath

Samantha Lipsky, Sr. Accountant
Print Name and Title

My commission expires on 01/27/2018



Exhibits	Description	Application Section
Exhibit A	<u>Applicant Information</u>	
	Principal Officers, Directors & Partners	A-12
	Corporate Structure	A-13
	Company History	A-14
	Articles of Incorporation	A-15
	Secretary of State Registration	A-16
Exhibit B	<u>Managerial Capability and Experience</u>	
	Jurisdictions of Operation	B-1
	Experience & Plans	B-2
	Summary of Experience	B-3
	Environmental Disclosure	B-4
	Disclosure of Liabilities and Investigations	B-5
Exhibit C	<u>Financial Capability and Experience</u>	
	Annual Reports	C-1
	SEC Filings	C-2
	Financial Statements	C-3
	Financial Arrangements	C-4
	Forecasted Financial Statements	C-5
	Credit Rating	C-6
	Credit Report	C-7
	Bankruptcy Information	C-8
	Merger Information	C-9
Exhibit D	<u>Technical Capability</u>	
	Operations	D-1
	Operations Expertise	D-2
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Attachment A

Principal Officers, Directors & Partners

Corporate Structure

Company History

Articles of Incorporation

Secretary of State Registration

Exhibit A-12

Principal Officers, Directors, Partners

Donald Cheesman

Chairman

200 Park Avenue South

Suite 1301

New York, NY 10003

917-545-5630

Stephen Eskrigge

President

200 Park Avenue South

Suite 1301

New York, NY 10003

917-545-1163

Richard Booth

President of Retail Operations

200 Park Avenue South

Suite 1301

New York, NY 10003

281-814-0735

Kitty Bromhead

Vice President of Retail Operations

200 Park Avenue South

Suite 1301

New York, NY 10003

281-813-7861

Lisa Hawkins

Chief Financial Officer

200 Park Avenue South

Suite 1301

New York, NY 10003

646-543-1911

Exhibit A-13**Corporate Structure**

Arrow Energy RRH, LLC is a wholly owned subsidiary of Richmond Road Holdings LLC and an affiliate of Kiwi Energy NY LLC, an energy service company currently providing retail electricity and natural gas supply service to customers in New York, and an affiliate of Spring Energy RRH, LLC dba Spring Power & Gas, an energy supplier which has not yet commenced operations but is licensed to provide retail electricity and natural gas supply service to customers in New Jersey and Maryland. Both Kiwi Energy NY LLC and Spring Energy RRH, LLC dba Spring Power & Gas are also a wholly owned subsidiaries of Richmond Road Holdings LLC.

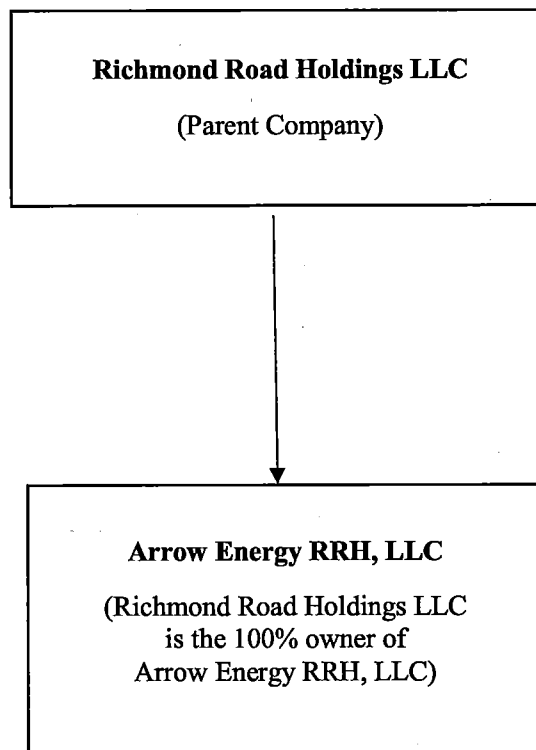


Exhibit A-14

Company History

Arrow Energy RRH, LLC ("Arrow Energy") was formed on February 12, 2015 for the purpose of providing retail energy services in Ohio. Arrow Energy intends to focus on providing environmentally conscious products backed by friendly and efficient service and is dedicated to providing honest, innovative, electricity, gas and renewable energy services and products.



State of Delaware

SECRETARY OF STATE
DIVISION OF CORPORATIONS
P.O. BOX 898
DOVER, DELAWARE 19903

150189041

9132908
KIWI ENERGY
240 KENT AVENUE
BROOKLYN

NY 11249

02-12-2015

ATTN: RICHARD BOOTH

DESCRIPTION	AMOUNT
ARROW ENERGY RRH, LLC	
5692581 0102Y Register L.L.C.	
Certification Fee	50.00
Formation Fee	70.00
Court Municipality Fee, Wilm.	20.00
Expedite Fee, 24 Hour	50.00
FILING TOTAL	190.00
TOTAL PAYMENTS	190.00
SERVICE REQUEST BALANCE	.00

Delaware

PAGE 1

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF FORMATION OF "ARROW ENERGY RRH, LLC", FILED IN THIS OFFICE ON THE TWELFTH DAY OF FEBRUARY, A.D. 2015, AT 2:08 O'CLOCK P.M.



5692581 8100

150189041

You may verify this certificate online
at corp.delaware.gov/authver.shtml


Jeffrey W. Bullock, Secretary of State
AUTHENTICATION: 2118949

DATE: 02-12-15

**STATE of DELAWARE
LIMITED LIABILITY COMPANY
CERTIFICATE of FORMATION**

First: The name of the limited liability company is _____
Arrow Energy RRH, LLC

Second: The address of its registered office in the State of Delaware is _____

1209 Orange Street in the City of Wilmington

Zip code 19801. The name of its Registered agent at such address is
The Corporation Trust Company

Third: (Use this paragraph only if the company is to have a specific effective date of dissolution; "The latest date on which the limited liability company is to dissolve is _____.")

Fourth: (Insert any other matters the members determine to include herein.)

In Witness Whereof, the undersigned have executed this Certificate of Formation this

11 day of FEBRUARY 2015

By: _____

Authorized Person (s)

LISA LAMPKINS
Name: _____

Exhibit A-16



DATE	DOCUMENT ID	DESCRIPTION	FILING	EXPED	PENALTY	CERT	COPY
07/14/2015	201519403800	FICTITIOUS NAME REGISTRATION (NFO)	50.00	0.00	0.00	0.00	0.00

Receipt

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

ARROW ENERGY RRH, LLC
BRIANA DUDAS
200 PARK AVE. S., S#1301
NEW YORK, NY 10003

**STATE OF OHIO
CERTIFICATE**

Ohio Secretary of State, Jon Husted
2410759

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

ARROW ENERGY

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

Document(s)

FICTITIOUS NAME REGISTRATION

Effective Date: 07/13/2015

Document No(s):

201519403800

Expiration Date: 07/13/2020

ARROW ENERGY RRH, LLC
200 PARK AVE SOUTH
SUITE 1301
NEW YORK, NY 10003



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
14th day of July, A.D. 2015.

Jon Husted

Ohio Secretary of State

201516829643

DATE: 06/18/2015	DOCUMENT ID 201516829643	DESCRIPTION REG. OF FOR. PROFIT LIM. LIAB. CO. (LFP)	FILING 125.00	EXPED .00	PENALTY .00	CERT .00	COPY .00
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Receipt

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

ARROW ENERGY RRH, LLC
BRIANA DUDAS
200 PARK AVENUE S STE 1301
NEW YORK, NY 10003

**STATE OF OHIO
CERTIFICATE**

Ohio Secretary of State, Jon Husted

2402585

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

ARROW ENERGY RRH, LLC

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

Document(s)

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

Document No(s):

201516829643

Effective Date: 06/11/2015



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 18th day of June, A.D. 2015.

Jon Husted

Ohio Secretary of State

Attachment B

Jurisdictions of Operation

Experience & Plans

Summary of Experience

Environmental Disclosure

Disclosure of Liabilities and Investigations

Exhibit B-1

Jurisdictions of Operation

Arrow Energy RRH, LLC is authorized by the Federal Energy Regulatory Commission ("FERC") to sell electricity at market based rates under FERC Docket No. ER15-1612-000. Arrow Energy RRH, LLC is not licensed to provide retail electric service in any other jurisdiction.

Kiwi Energy NY LLC, an affiliate of Arrow Energy RRH, LLC, has been deemed eligible to provide retail electricity in the state of New York.

Spring Energy RRH, LLC dba Spring Power & Gas, an affiliate of Arrow Energy RRH, LLC, is licensed to provide retail electricity in the state of New Jersey and in the state of Maryland.

Exhibit B-2

Experience and Plans

Arrow Energy RRH, LLC ("Arrow Energy") plans to contract with customers directly through traditional marketing and sales methods including but not limited to door-to-door, telemarketing and online enrollment. In all marketing and sales operations, Arrow Energy will adhere to all Ohio consumer protection laws, PUCO regulations and standards, and utility market rules and procedures. Arrow Energy will use third party verification when required in its sales and marketing activity and will enroll customers consistent with the procedures outlined in the Ohio Administrative Code.

Arrow Energy will maintain a customer service hotline for customers in Ohio at 1-844-907-6937, in addition to an e-mail address at info@arrowenergy.us in order to respond to customer inquiries and complaints. Arrow Energy will use utility consolidated billing to provide bills to customers and will post rates to the PUCO Apples-to-Apples site as required.

Exhibit B-3**Summary of Experience**

Arrow Energy RRH, LLC ("Arrow Energy") is a newly formed entity as of February 12, 2015. However, Arrow Energy's officers and management come to Arrow Energy with years of experience managing the kinds of business, technical and customer service issues that commonly arise during the operation of a retail energy company.

Owners

Donald Cheesman and Stephen Eskrigge have a strong record of establishing and managing successful energy companies in deregulated markets. They have been major shareholders and the key managers of six successful energy companies in the deregulated energy markets in the United States, Australia and New Zealand: Kiwi Energy NY LLC, Frontier Utilities Inc., Energy Online, Victoria Electricity, Queensland Electricity, Direct Connect Australia Pty Ltd. The New Zealand market has been fully deregulated since 1998 while the Victorian market in Australia deregulated in 2003. In the past few years, Victoria has been one of the most competitive energy markets in the world. The Queensland market in Australia opened to competition in 2007 and now rivals Victoria for competitiveness.

Richard Booth and Kitty Bromhead bring 10 years of experience in overseeing operations and acquiring customers in the competitive energy markets in the United States, New Zealand and Australia. Richard is currently the President of Retail Operations at Kiwi Energy NY LLC and Kitty serves as the Vice President of Retail Operations. Both currently oversee the operations at Kiwi Energy NY LLC, an energy supplier in New York, which has a customer base of more than 75,000. Previously, Richard and Kitty were in similar roles at Frontier Utilities based in Texas. Prior to their roles at Frontier Utilities, Richard was the General Manager of Sales and Marketing and Kitty was the Internal Sales Manager at Victoria Electricity. Both were responsible for a team of 200 employees which consisted of 12 supply partners and 150 staff members. This team covered customer acquisition and retention, and marketing and electricity, gas and telecommunications markets in Victoria, New South Wales, Queensland and South Australia. Richard's team was also responsible for Ecogold, a loyalty program which included an environmental fund with ongoing communication of special offers to customers from various business partners. When Richard and Kitty left Victoria Electricity to set up Frontier Utilities in Texas, the company had more than 400,000 customers. Prior to joining Victoria Electricity, Richard managed the commercial sales team at Energy Online, where Kitty was also employed.

Previous Experience in the Industry***Kiwi Energy NY LLC***

Kiwi Energy NY LLC, an affiliate of Arrow Energy, was formed in December 2008, (originally incorporated as Frontier Utilities Inc. (NY)) with Donald Cheesman, Stephen Eskrigge and Richard Booth as shareholders. With the sale of their Texas based company Frontier Utilities Inc., Frontier Utilities Inc. (NY) was rebranded as Kiwi Energy and the operations were moved from Texas to New York. Kiwi Energy is currently an affiliate of Spring Energy and operates in the New York energy market. Kiwi Energy markets predominantly to residential with some small commercial customers and has contracted with more than 75,000 customers in New York. The current utility service areas include the following: National Grid, ConEd, New York State Electric & Gas, Rochester Gas & Electric, and Central Hudson.

Exhibit B-3**Previous Experience in the Industry: Continued***Frontier Utilities Inc.*

Frontier Utilities Inc. was formed in August 2008 with Donald Cheesman and Steve Eskrigge as shareholders. Frontier Utilities commenced trading in 2009. Frontier Utilities Inc. grew to more than 10,000 customers where it was acquired by the Quintana Group in 2011 which allowed the principles to concentrate on their Northeast energy business.

Victoria Electricity

Victoria Electricity was formed in 2002 with Donald Cheesman, Steve Cheesman and listed investment company Infratil (see www.infratil.com) as shareholders. Victoria Electricity commenced trading in 2004 and currently supplies in excess of 300,000 customers. In 2007, Infratil purchased Cheesman and Eskrigge's shares and now holds 100 percent of the company. Victoria Electricity has been responsible for approximately 30% of market churn in Victoria. Queensland Electricity Pty Ltd, NSW Electricity Pty Ltd, South Australia Electricity Pty Ltd, run a similar model to Victoria Electricity and were also purchased by Infratil in 2007. In 2010, they were consolidated into one company called Lumo Energy (see www.kumoenergy.com.au).

Direct Connect Australia Pty Ltd

Direct Connect was founded by Donald Cheesman and Steve Eskrigge in 2004 and is the dominant utility connection company in Australia providing energy, telecommunications, insurance and other products to individuals and customers who are moving locations. This company provides energy retailers with direct access to the large moving market and assists more than 300 people per day to move premises (see www.directconnect.com.au).

Energy Online Ltd

Energy Online (EOL) was established by Donald Cheesman and Steve Eskrigge in 1998 to seize the opportunity provided by the deregulating New Zealand energy market. After an initial growth period, Cheesman and Eskrigge sold their shares to a telecommunications company, Newcall Communications, but remained on the Board and operationally responsible for the company. In 2002, Energy Online was sold to Genesis Power, the largest integrated generator retailer in New Zealand. Genesis continues to operate Energy Online independently as a growth brand. EOL currently supplies more than 60,000 customers (refer to www.energyonline.co.nz)

Agility CIS Ltd

Agility CIS Ltd. (Agility) is a New Zealand-based company, providing billing and customer-management solutions to Australasia's retail energy companies. Since 1998 Agility has been developing, integrating and supporting its flagship product, Orion, a comprehensive system for customer management and utility service billing. Orion is designed and developed to facilitate flexibility and ease of use in a competitive, service-focused market. Orion can be tailored for any specific requirement, and fully supports electricity, gas, internet/data and water products. Agility is the dominant system supplier to second tier retailers in Australasia and supports a number of energy retail operations in the U.S. including Frontier Utilities and Kiwi Energy (refer to www.agilitycis.co.nz).

Exhibit B-4

Environmental Disclosure

Arrow Energy RRH, LLC intends to determine its generation resource mix and environmental characteristics pursuant to 4901:1-21-09 of the PUCO regulations. It will determine the environmental disclosure data pursuant to the methodologies outlined in the regulations and will submit required notices to PUCO staff and customers in a timely and compliant manner.

Exhibit B-5

Disclosure of Liabilities and Investigations

Arrow Energy RRH, LLC does not have any existing, pending, or past rulings, judgments, contingent liabilities, revocations of authority, regulatory investigations, or any other matters that could adversely impact its financials or operational status or ability to provide the retail electric supply services it is seeking to provide in the state of Ohio.

Attachment C

Annual Reports

SEC Filings

Financials Statements

Financial Arrangements

Forecasted Financial Statements

Credit Rating

Credit Report

Bankruptcy Information

Merger Information

Exhibit C-1

Annual Reports

Arrow Energy RRH, LLC was formed on February 12, 2015. As this is the first year of operations, we currently do not have any Annual Reports to Shareholders as of the date of this application.

Exhibit C-2

SEC Filings

Arrow Energy RRH, LLC is a wholly-owned subsidiary of Richmond Road Holdings LLC, a privately owned entity. As such, we are not required submit to public filings with the SEC.

Exhibit C-3

Financial Statements

Arrow Energy RRH, LLC was formed on February 12, 2015. As such, the Company does not have audited financial statements. Please see the enclosed audited financial statements for parent company, Richmond Road Holdings LLC for fiscal year 2014 and 2013.



RICHMOND ROAD HOLDINGS, LLC AND SUBSIDIARIES

Consolidated Financial Statements

December 31, 2014

**RICHMOND ROAD HOLDINGS, LLC
AND SUBSIDIARIES**

Consolidated Financial Statements

December 31, 2014

**RICHMOND ROAD HOLDINGS, LLC
AND SUBSIDIARIES**

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Independent Auditor's Report

To the Members of
Richmond Road Holdings, LLC and Subsidiaries

We have audited the accompanying consolidated financial statements of Richmond Road Holdings, LLC and Subsidiaries (the "Company"), which comprise the consolidated balance sheet as of December 31, 2014, and the related consolidated statements of income, changes in members' equity (deficit), and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Richmond Road Holdings, LLC and Subsidiaries as of December 31, 2014, and the consolidated results of their operations and their cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 9 to the consolidated financial statements, members' deficit as of December 31, 2013 has been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

BDO USA, LLP

April 29, 2015

Consolidated Financial Statements

RICHMOND ROAD HOLDINGS, LLC AND SUBSIDIARIES

Consolidated Balance Sheet

<u>December 31,</u>	<u>2014</u>
Assets	
Current Assets	
Cash and cash equivalents	\$ 1,493,009
Restricted cash	1,825,052
Accounts receivable - trade	10,707,708
Prepaid expenses	741,986
Deferred income taxes	873,400
Total Current Assets	15,641,155
Property and Equipment, net	57,876
Energy and Other Deposits	2,904,886
Total Assets	\$ 18,603,917
Liabilities and Members' Equity	
Current Liabilities	
Accounts payable	\$ 5,345,444
Accrued expenses	2,449,528
Taxes payable	1,837,799
Notes payable to members, including accrued interest	3,036,703
Total Current Liabilities	12,669,474
Non-Current Liabilities	
Collateral loan payable	2,860,448
Deferred income taxes	978,700
Total Non-Current Liabilities	3,839,148
Total Liabilities	16,508,622
Commitment & Contingencies	
Members' Equity	2,095,295
Total Liabilities and Members' Equity	\$ 18,603,917

See accompanying notes to consolidated financial statements.

**RICHMOND ROAD HOLDINGS, LLC
AND SUBSIDIARIES**

Consolidated Statement of Income

<i>Year Ended December 31,</i>	2014
Revenues, net	\$ 63,020,808
Cost of Revenues	47,757,310
Gross Profit	15,263,498
Operating Expenses	
General and administrative	4,610,131
Selling and marketing	6,386,264
Depreciation and amortization	21,494
Total Operating Expenses	11,017,889
Income from Operations	4,245,609
Other Income (Expense)	
Interest expense	(717,563)
Interest income	543
Total Other Expense	(717,020)
Income Before Income Taxes	3,528,589
Income Tax Expense	(1,697,827)
Net Income	\$ 1,830,762

See accompanying notes to consolidated financial statements.

**RICHMOND ROAD HOLDINGS, LLC
AND SUBSIDIARIES**

Consolidated Statement of Changes in Members' Equity (Deficit)

	Preferred Units		Common Units		Total
	Units	Amount	Units	Amount	
Balance at December 31, 2013 as restated (see Note 9)	-	-	10,000	\$ (379,963)	\$ (379,963)
Capital Contribution	-	-	-	4,496	4,496
Issuance of preferred units	640	640,000	-	-	640,000
Net income	-	-	-	1,830,762	1,830,762
Balance at December 31, 2014	640	\$ 640,000	10,000	\$ 1,455,295	\$ 2,095,295

RICHMOND ROAD HOLDINGS, LLC AND SUBSIDIARIES

Consolidated Statement of Cash Flows

<i>Year Ended December 31,</i>	<i>2014</i>
Cash Flows from Operating Activities	
Net income	\$ 1,830,762
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation and amortization	21,494
Deferred tax expense	547,200
Loss on disposal of assets	1,392
Paid in-kind interest accrued	70,410
Changes in operating assets and liabilities:	
Restricted cash	(1,823,052)
Accounts receivable - trade	(2,098,070)
Prepaid expenses	(549,048)
Energy and other deposits	(895,701)
Accounts payable	2,518,917
Accrued expenses	656,102
Taxes payable	1,061,326
Net Cash Provided By Operating Activities	1,341,732
Cash Flows from Investing Activities	
Purchases of property and equipment	(25,860)
Net Cash Used in Investing Activities	(25,860)
Cash Flows from Financing Activities	
Proceeds from notes payable to members	75,000
Capital contribution	4,496
Net payments on revolving line of credit	(1,120,766)
Net proceeds from collateral loan payable	924,506
Net Cash Used In Financing Activities	(116,764)
Net Increase in Cash and Cash Equivalents	1,199,108
Cash and Cash Equivalents - Beginning of Year	293,901
Cash and Cash Equivalents - End of Year	\$ 1,493,009
Supplemental Information	
Cash paid for interest	\$ 652,982
Cash paid for taxes	\$ 630,000
Supplemental Disclosure of Non-Cash Activities	
Notes payable to members conversion to Preferred Units	\$ 640,000

See accompanying notes to consolidated financial statements.

RICHMOND ROAD HOLDINGS, LLC AND SUBSIDIARIES

Notes to Consolidated Financial Statements

1. Nature of Operations

Richmond Road Holdings, LLC ("Richmond Road") is a limited liability company formed on December 7, 2012 in the state of Delaware. Richmond Road's business primarily involves the sale of natural gas and/or electricity to commercial and residential customers under variable-priced contracts through its wholly-owned subsidiary Kiwi Energy NY, LLC ("Kiwi Energy"). Kiwi Energy markets its gas and electricity contracts within the state of New York. The state of New York operates within a purchase of receivables ("POR") market whereby each energy supply company (or "ESCO") is required to maintain an operating agreement with the utility company in order to become an eligible supplier. Under these contracts, the utility company provides delivery and billing services on behalf of the ESCO and absorbs the ESCO's bad debt risk in exchange for a POR fee per customer. Kiwi Energy derives its margin or gross profit from the difference between the price at which it is able to sell the commodities to its customers and the related price at which it purchases the associated volumes from its suppliers.

On November 13, 2013, Richmond Road formed Pure Energy USA, LLC a wholly-owned subsidiary with the intent to market its gas and electricity contracts within the state of New Jersey beginning July 2015.

2. Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of Richmond Road and its wholly-owned subsidiaries (collectively referred to as the "Company"). All significant intercompany balances and transactions have been eliminated upon consolidation.

Basis of Presentation

The Company's consolidated financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as codified by the Financial Accounting Standards Board ("FASB") in its Accounting Standards Codification ("ASC").

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The Company's critical accounting estimates include estimated unbilled revenue receivables and estimated revenues and energy supply costs. While management believes current estimates are reasonable, actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all highly-liquid investments with an original maturity of three months or less to be cash equivalents.

RICHMOND ROAD HOLDINGS, LLC AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Restricted Cash

Restricted cash consists of cash held in a bank account in which Shell Energy North America (US), LP ("Shell") has a security interest, as well as a money market account used to collateralize a surety bond with the Board of Public Utilities in New Jersey.

Normal Purchases and Sales Accounting

The Company enters into a combination of month-ahead purchases and day-ahead purchases to match the forecasted demand of its commercial and residential sales contracts. The Company utilizes variable rate, month-to-month contracts for its commercial and residential customers. The Company believes that some of the supply contracts are derivatives; however, certain contracts that literally meet the definition of a derivative may be exempted from being recorded at fair value if they qualify for the "normal purchases and normal sales" exception. Normal purchases and normal sales are contracts that provide for the purchase or sale of supply that will be delivered in quantities expected to be used or sold over a reasonable period in the normal course of business. For the year ended December 31, 2014, the Company elected to use the normal purchase and normal sales exception for its forward purchase supply contracts and its customer sales contracts. Derivative instruments that are eligible for the normal purchase and normal sales exception are not required to be recorded at fair value and are considered transactions under executory contracts. Accordingly, the Company records revenue and direct energy costs from its sales and purchase contracts as energy is delivered to its customers.

Concentrations of Credit Risk

Financial instruments which potentially subject the Company to concentrations of credit risk consist of cash and cash equivalents and trade accounts receivables. The Company maintains cash with financial institutions which, at times, exceed federally insured limits. The Company monitors the financial condition of these institutions and has experienced no losses associated with the accounts. The Company is not party to any financial instruments which would have off-balance sheet credit or interest rate risk.

Concentrations of credit risk with respect to trade receivables is considered limited due to the large number of customers comprising the Company's customer base. The Company maintains POR contracts with the utility companies, which reduces the Company's exposure to individual customer losses. The Company considers no allowance for doubtful accounts necessary as of December 31, 2014.

Property and Equipment

Property and equipment are stated at cost. Depreciation and amortization is computed on the straight-line method over the estimated useful lives of the assets. Maintenance and repairs are charged to expense as incurred and significant renewals and betterments are capitalized. The cost and related accumulated depreciation and amortization of assets retired or otherwise disposed of are eliminated from the accounts, and any resulting gains or losses are recognized in operations in the year of disposal. Depreciation and amortization expense was \$21,494 for the year ended December 31, 2014.

RICHMOND ROAD HOLDINGS, LLC AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Property and equipment and related accumulated depreciation and amortization consists of the following:

<u>December 31,</u>	<u>Estimated Useful Lives</u>	<u>2014</u>
Furniture and fixtures	3-5 years	\$ 13,153
Computers and equipment	3-5 years	75,897
Software	3-7 years	44,976
		134,026
Less: accumulated depreciation and amortization		76,150
Property and equipment, net		\$ 57,876

Impairment of Long-Lived Assets

The Company reviews the recoverability of its long-lived assets, such as property and equipment, when events or changes in circumstances occur that indicate the carrying value of the asset or asset group may not be recoverable. The assessment of possible impairment is based on the Company's ability to recover the carrying value of the asset or asset group from the expected future pre-tax cash flows (undiscounted) of the related operations. If these cash flows are less than the carrying value of such asset, an impairment loss is recognized for the difference between estimated fair value and carrying value. There were no impairment charges to long-lived assets for the year ended December 31, 2014.

Energy Deposits

The Company is required to post collateral with New York Independent System Operator ("NYISO"), wholesale power supplier, and for certain pipelines in order to conduct wholesale transactions or send capacity through the pipelines. NYISO's collateral requirements include a capitalization requirement of \$200,000, energy and ancillary collateral and collateral to participate in the installed capacity market ("ICAP"). The energy and ancillary collateral requirement is calculated by NYISO daily and is equal to sixteen days times the daily average of the previous ten daily settlements. ICAP collateral is required to be posted prior to NYISO's monthly auction. NYISO requires each ESCO to post cash collateral equal to the value to all the ESCO's bids to buy capacity in that particular auction or month. Once the auction is settled, the collateral amount is reduced to the actual cost of the ICAP capacity purchased by the ESCO. As the ESCO makes payments, the required collateral amount is reduced dollar for dollar.

Pipeline collateral is calculated based on a monthly rate of released capacity times expected released capacity over a 90 day period.

As of December 31, 2014, the Company had a total of \$2,879,448 in outstanding energy deposits.

RICHMOND ROAD HOLDINGS, LLC AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Customer Rebates

After one year of service with the Company, customers are eligible to receive a 5% rebate on supply. For the year ended December 31, 2014, the Company recorded customer rebate expense of \$3,275,936 and the outstanding customer rebate accrual was \$1,982,145 included in accrued expenses in the accompanying consolidated balance sheet at December 31, 2014. During 2014, the Company made customer rebate payments to customers totaling approximately \$2,145,000.

In connection with its periodic review of the estimated customer rebate accrual, the Company determined that the rebates being paid to customers are larger than originally estimated. The Company revised its customer rebate accrual in February 2014 and increased the monthly accrual to 5% of monthly revenue, up from 3% as estimated previously. The impact of the change in estimate is a decrease in net income of approximately \$1,209,000 for the year ended December 31, 2014.

Income Taxes

The Company has elected to be taxed as a corporation as defined under the Internal Revenue Code. The liability method is used in accounting for deferred income taxes. Under this method, deferred income tax assets and liabilities are determined based on differences between financial reporting and income tax basis of assets and liabilities and are measure using the enacted income tax rates and laws that will be in effect when the differences are expected to reverse. The likelihood of the realization of deferred income tax assets is evaluated annually and a valuation allowance is provided if it is more likely than not that the deferred income tax assets will not give rise to future benefits in the Company's income tax returns.

The Company follows guidance issued by the FASB which clarifies accounting for uncertainty in income taxes prescribing the minimum recognition threshold an income tax position is required to meet before being recognized in the consolidated financial statements and applies to all income tax positions. Each income tax position is assessed using a two-step process. A determination is first made as to whether it is more likely than not that the income tax position will be sustained, based upon technical merits, upon examination by the taxing authorities. If the income tax position is expected to meet the more likely than not criteria, the benefit recorded in the consolidated financial statements equals the largest amount that is greater than 50% likely to be realized upon its ultimate settlement.

The Company has completed its analysis of its income tax positions and believes there are no uncertain income tax positions that would require recognition in the consolidated financial statements as of December 31, 2014. The Company believes that there are no income tax positions taken or expected to be taken that would significantly increase or decrease unrecognized income tax benefits within twelve months of the reporting date. The Company records income tax related interest and penalties, if any, as a component in the provision for income tax expense. For the year ended December 31, 2014, the Company recorded no income tax related interest and penalties.

The Company's federal and state returns for 2011 and subsequent years are open for examination. None of the Company's federal or state income tax returns are currently under examination.

RICHMOND ROAD HOLDINGS, LLC AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Revenue Recognition

Revenues from the sale of electricity are recognized in the period in which the commodity is consumed by customers. The billing cycles for customers do not always coincide with the accounting periods used for financial reporting purposes. The Company follows the accrual method of accounting for revenues, whereby revenues applicable to electricity consumed by customers, but not yet billed under the cycle billing method, are estimated and accrued along with the related costs, and included in operations. Accrued unbilled revenues are based on estimates of customer usage since the date of the last meter reading provided by the independent system operators or electric distribution companies. Volume estimates are based on daily forecasted volumes and estimated customer usage. Unbilled revenues are calculated by multiplying volume estimates by the applicable rate by customer class. Such estimates are adjusted to actual billed amounts in subsequent periods. Changes in these estimates are reflected in operations in the period when actual usage is known and billed. As of December 31, 2014, the Company recorded unbilled revenues of \$4,411,400 for retail energy sales, which is included in the accompanying consolidated balance sheet in accounts receivable - trade.

Subsequent Events

The Company evaluates events and transactions occurring after the balance sheet date but before the consolidated financial statements are available for issuance for either recognition or disclosure. The Company evaluated such events and transactions through April 29, 2015, the date on which these consolidated financial statements were available for issuance and identified no events for recognition or disclosure.

3. Note Payable to Members

In April 2014, the Company converted \$640,000 of notes payable to members into preferred units. See Note 5.

At December 31, 2014, the Company had outstanding notes payable totaling \$2,917,344 with two of the Company's majority members. The notes are due on demand, at the request of the members. Interest is accrued on the outstanding balance at 2% and is payable on demand with all unpaid principal. As of December 31, 2014, accrued interest totaled \$119,359 and is included in notes payable to members in the accompanying balance sheet. Interest expense from these members' notes for the year ended December 31, 2014 totaled \$70,410.

4. Credit Facility

The Company entered into a financing arrangement with Shell to obtain assistance in the purchase of power, natural gas and environmental products and to obtain collateral support to certain third parties. In accordance with the financing arrangement, Shell has established a Credit Facility which includes a Revolving Line of Credit ("Revolver") and a Collateral Loan Payable ("Collateral Loan"). The Credit Facility provides for drawdowns on the Revolver and Collateral Loan up to a \$10,000,000 pooled amount through December 17, 2017 (the "Maturity Date"). Drawdowns of the Credit Facility bear interest at the lesser of (i) the highest rate allowed by applicable law or (ii) 3.5% plus the interest adder (if applicable) plus the greater of (x) LIBOR or (y) 3% (adjusted quarterly). The interest rate was 6.5% at December 31, 2014.

RICHMOND ROAD HOLDINGS, LLC AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Drawdowns on the Revolver and related accrued interest are payable in full on the 20th day of the month following the month in which the drawdown is made or at an earlier date. As of December 31, 2014, the Company had no outstanding balance on the Revolver.

As of December 31, 2014, the Collateral Loan totaled \$2,860,448 with all outstanding principal and unpaid interest due at maturity date. All interest accrued for the immediately preceding month is due and payable on the last day of each month.

The Credit Facility is collateralized by all of the Company's assets. The financing agreement contains various restrictive covenants, including the maintenance of certain financial ratios. The Company was in compliance with all covenants as of December 31, 2014.

5. Members' Equity

Preferred Units

In accordance with its limited liability company agreement ("LLC Agreement"), the Company is authorized to issue an unlimited amount of preferred units. As of December 31, 2014, the Company had 640 preferred units issued and outstanding in connection with the conversion of note payable to members of \$640,000. The preferred units have a stated value of \$1,000 per preferred unit as defined in the LLC Agreement.

The preferred units accrue a Preferred Return, as defined in the LLC Agreement, amended and restated by the Company on April 30, 2014, at the rate of 2% per annum and to the extent not then paid on the Preferred Unit Remaining Investment Balance and the Preferred Unit Preferred Return Amount, as defined. Holders of the preferred units have distribution and liquidation preferences of payment of capital contributed and any accrued but unpaid preferred returns over Common units. As of December 31, 2014, accumulated preferred returns totaled \$6,427. No preferred returns were declared by the Company during 2014. Preferred units have voting rights based on the number of units held. Preferred Unit are not convertible into any other class of interest and are not redeemable for cash prior to liquidation.

Common Units

The Company is authorized to issue an unlimited amount of Common units as defined in the Company's LLC Agreement. As of December 31, 2014, the Company has 10,000 Common units issued and outstanding.

Common units have voting rights based on the number of units held. Common units are not convertible into any other class of interest.

RICHMOND ROAD HOLDINGS, LLC AND SUBSIDIARIES

Notes to Consolidated Financial Statements

6. Income Taxes

The provision for income taxes consists of the following:

<u>Year Ended December 31,</u>	<u>2014</u>
Current:	
Federal	\$ 760,000
State	390,627
Deferred	547,200
Total	\$ 1,697,827

The effective tax rate differs from the statutory rate of 34% principally due to certain state taxes paid by the Company.

The tax effects of temporary differences that give rise to significant portions of deferred income tax assets and liabilities are as follows:

<u>December 31,</u>	<u>2014</u>
Deferred income tax assets - current:	
Accrued interest	\$ 40,600
Accrued vacation	22,900
Accrued bonuses	12,700
Customer rebates	673,900
Other accrued expenses	123,300
	873,400
Less: valuation allowance	-
Deferred income tax assets - current	\$ 873,400
Deferred income tax liabilities - non-current:	
Energy and other deposits	\$ 978,700
Deferred tax liabilities - non-current	\$ 978,700

Management periodically assess the need for a valuation allowance to the extent that the results of future operations and the timing of temporary differences reversals are not expected to realize the benefits of deferred income tax assets. The Company believes it is more likely than not that deferred income tax assets will be realized and accordingly, a valuation allowance for such assets has not been recognized.

For the year ended December 31, 2014, the Company fully utilized its net operating loss carryforward of \$1,397,498.

RICHMOND ROAD HOLDINGS, LLC AND SUBSIDIARIES

Notes to Consolidated Financial Statements

7. Commitments and Contingencies

The Company leases office and storage space under non-cancelable operating leases which expire at various dates through January 2017. Rent expense was \$281,887 for the year ended December 31, 2014. Estimated minimum future rental payments required under non-cancelable operating leases are as follows:

<i>Year Ending December 31,</i>		
2015	\$	289,994
2016		245,328
2017		20,579
		<hr/>
	\$	555,901

On January 2, 2013, pursuant section 30 of the Company's office lease with 60 Broadway Partners LLC ("60 Broadway"), the Company delivered a Notice of Termination effective February 1, 2014. The lease agreement began on December 1, 2012 with a lease term of three years (ending December 2015), as presented above in the future minimum lease payments. During 2013, the building began to undergo extensive repairs to address serious and latent structural problems which resulted in extensive noise, vibrations, and other disturbances preventing the Company from operating its business from the premises. As such, on November 1, 2013, the Company served a Notice of Default to 60 Broadway pursuant to sections 30 and 33.01 of the lease. 60 Broadway was in default under the lease as 1) the disturbance caused by the ongoing repair work has violated and will continue to violate the Company's right to quiet possession of the premises. A right which is implied in all lease agreements in New York and also expressly stated in section 28 of the Lease, and 2) the Company has been and will continue to be actually and constructively evicted from the premises because the disturbances, physical obstructions, and dangerous conditions caused by the repair work rendering the premises unusable as office space, a breach of the fundamental obligation that 60 Broadway owes under the lease. 60 Broadway had not responded to the Notice of Default, and further, has failed to cure, or commence with all due diligence to cure, the defaults within the period provided by the lease. On March 11, 2014, representatives from both the Company and 60 Broadway attended a mediation in order to resolve the lease dispute; however, no conclusion was reached as a result of the mediation. 60 Broadway currently holds a security deposit of \$48,000 in the Company's name. The Company has paid to 60 Broadway all required rent payments under the terms of the lease agreement through January 2014. Management believes, based on 60 Broadway's defaults under the lease terms, that the Company has no further rent obligation.

In the normal course of business, the Company is party to various pending or threatened claims, lawsuits and administrative proceedings seeking damages or other remedies concerning its commercial operations, employees or other matters. Although the outcome of pending legal proceedings and the effect such outcomes may have on the Company is not known, management believes that any liability resulting from the outcome of such proceedings will not have a material adverse effect on the Company's consolidated financial position, results of operations or liquidity.

**RICHMOND ROAD HOLDINGS, LLC
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

8. Concentrations

The Company incurred a significant portion of its costs of revenues from one vendor during 2014. For the year ended December 31, 2014, purchases of power and gas from this vendor totaled approximately \$37,464,000 or 79% of cost of revenues.

For the year ended December 31, 2014, the Company did not have an individual customer whose energy revenues accounted for more than 10% of total revenues.

9. Prior Period Adjustment

During 2014, the Company identified certain New York City utility taxes were not properly calculated and remitted as of December 31, 2013. This error resulted in an overstatement of revenue and understatement of tax liability of \$560,303 as of December 31, 2013. Accordingly, a prior period adjustment has been made to members' deficit as of December 31, 2013.

The following sets forth the previously reported and restated members' deficit:

	Members' Deficit
Balance at December 31, 2013, as previously reported	\$ 180,340
Prior period adjustment	(560,303)
Balance at December 31, 2013, as restated	\$ (379,963)

**RICHMOND ROAD HOLDINGS, LLC
AND SUBSIDIARIES**

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2013

RICHMOND ROAD HOLDINGS, LLC AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2013

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Independent Auditor's Report

To the Members of
Richmond Road Holdings, LLC and Subsidiaries

We have audited the accompanying consolidated financial statements of Richmond Road Holdings, LLC and Subsidiaries (the "Company"), which comprise the consolidated balance sheet as of December 31, 2013, and the related consolidated statements of income, changes in members' equity (deficit), and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Richmond Road Holdings, LLC and Subsidiaries as of December 31, 2013, and the consolidated results of their operations and their cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

UHY LLP

Houston, Texas
April 28, 2014

RICHMOND ROAD HOLDINGS, LLC AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
DECEMBER 31, 2013

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 293,901
Restricted cash	2,000
Accounts receivable - trade	8,609,638
Prepaid expenses	192,938
Deferred income taxes	626,100
TOTAL CURRENT ASSETS	<u>9,724,577</u>

PROPERTY AND EQUIPMENT, net	54,902
-----------------------------	--------

ENERGY AND OTHER DEPOSITS	<u>2,009,185</u>
---------------------------	------------------

TOTAL ASSETS	<u>\$ 11,788,664</u>
--------------	----------------------

LIABILITIES AND MEMBERS' EQUITY

CURRENT LIABILITIES

Accounts payable	\$ 2,826,527
Accrued expenses	1,793,426
Revolving line of credit	1,120,766
Taxes payable	216,170
TOTAL CURRENT LIABILITIES	<u>5,956,889</u>

NON-CURRENT LIABILITIES

Notes payable to members'	3,531,293
Collateral loan payable	1,935,942
Deferred income taxes, net	184,200
TOTAL NON-CURRENT LIABILITIES	<u>5,651,435</u>

TOTAL LIABILITIES	11,608,324
-------------------	------------

MEMBERS' EQUITY	<u>180,340</u>
-----------------	----------------

TOTAL LIABILITIES AND MEMBERS' EQUITY	<u>\$ 11,788,664</u>
---------------------------------------	----------------------

RICHMOND ROAD HOLDINGS, LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF INCOME
YEAR ENDED DECEMBER 31, 2013

REVENUES	\$ 32,292,231
COST OF REVENUES	<u>24,018,135</u>
GROSS PROFIT	8,274,096
OPERATING EXPENSES	
General and administrative	3,323,556
Selling and marketing	4,380,660
Depreciation	<u>20,556</u>
TOTAL OPERATING EXPENSES	<u>7,724,772</u>
INCOME FROM OPERATIONS	549,324
OTHER EXPENSE (INCOME)	
Interest expense	214,096
Interest income	<u>(1,341)</u>
TOTAL OTHER EXPENSE	<u>212,755</u>
INCOME BEFORE INCOME TAXES	336,569
INCOME TAX BENEFIT	<u>434,686</u>
NET INCOME	<u>\$ 771,255</u>

See accompanying notes to consolidated financial statements.

RICHMOND ROAD HOLDINGS, LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN MEMBERS' EQUITY (DEFICIT)
YEAR ENDED DECEMBER 31, 2013

Balance at January 1, 2013	\$ (590,915)
Net income	<u>771,255</u>
Balance at December 31, 2013	<u>\$ 180,340</u>

See accompanying notes to consolidated financial statements.

RICHMOND ROAD HOLDINGS, LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2013

CASH FLOWS FROM OPERATING ACTIVITIES

Net income	\$ 771,255
Adjustments to reconcile net income to net cash used in operating activities:	
Depreciation and amortization	20,556
Deferred tax benefit	(441,900)
Paid in-kind interest accrued	46,192
Changes in operating assets and liabilities:	
Restricted cash	(2,000)
Accounts receivable - trade	(6,297,160)
Prepaid expenses	(66,340)
Energy and other deposits	(1,229,680)
Accounts payable	2,409,223
Accrued expenses	1,232,484
Taxes payable	139,651
NET CASH USED IN OPERATING ACTIVITIES	<u>(3,417,719)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of property and equipment	<u>(5,106)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(5,106)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from notes payable to members	150,000
Payment on notes payable to members	(150,000)
Net proceeds from revolving line of credit	1,120,766
Net proceeds from collateral loan payable	1,935,942
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>3,056,708</u>

NET DECREASE IN CASH AND CASH EQUIVALENTS (366,117)

CASH AND CASH EQUIVALENTS - beginning of year 660,018

CASH AND CASH EQUIVALENTS - end of year \$ 293,901

SUPPLEMENTAL CASH FLOW INFORMATION

Cash paid for interest \$ 160,924

RICHMOND ROAD HOLDINGS, LLC AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE A - NATURE OF OPERATIONS

Richmond Road Holdings, LLC ("Richmond Road") is a limited liability company formed on December 7, 2012 in the state of Delaware. Richmond Road's business primarily involves the sale of natural gas and/or electricity to commercial and residential customers under variable-priced contracts through its wholly owned subsidiary Kiwi Energy NY, LLC ("Kiwi Energy"). Kiwi Energy markets its gas and electricity contracts within the state of New York. The state of New York operates within a purchase of receivables ("POR") market whereby each energy supply company (or "ESCO") is required to maintain an operating agreement with the utility company in order to become an eligible supplier. Under these contracts, the utility company provides delivery and billing services on behalf of the ESCO and absorbs the ESCO's bad debt risk in exchange for a POR fee per customer. Kiwi Energy derives its margin or gross profit from the difference between the price at which it is able to sell the commodities to its customers and the related price at which it purchases the associated volumes from its suppliers.

On November 1, 2013, Kiwi Energy executed a merger with Kiwi Energy, Inc., ("Kiwi, Inc."), entities under common control by the majority members of Richmond Road. Refer to Note C for more information on the merger.

On November 13, 2013, Richmond Road formed Pure Energy USA, LLC a wholly owned subsidiary with the intent to market its gas and electricity contracts within the state of New Jersey beginning September 2014.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation: The consolidated financial statements include the accounts of Richmond Road and its wholly-owned subsidiaries (collectively referred to as the "Company"). All significant intercompany balances and transactions have been eliminated upon consolidation.

Basis of Presentation: The Company's consolidated financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as codified by the Financial Accounting Standards Board ("FASB") in its Accounting Standards Codification ("ASC").

Use of Estimates: The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The Company's critical accounting estimates include estimated unbilled revenue receivables and estimated revenues and energy supply costs. While management believes current estimates are reasonable, actual results could differ from those estimates. Consequently, current operating results can be affected by revisions to prior accounting estimates.

Cash and Cash Equivalents: The Company considers all highly-liquid investments with an original maturity of three months or less to be cash equivalents.

RICHMOND ROAD HOLDINGS, LLC AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted Cash: Restricted cash consists of cash held in a bank account in which Shell Energy North America (US), LP ("Shell") has a security interest in the account and all funds on deposit.

Normal Purchases and Sales Accounting: The Company enters into a combination of month-ahead purchases and day-ahead purchases to match the forecasted demand of its commercial and residential sales contracts. The Company utilizes variable rate, month-to-month contracts for its commercial and residential customers. The Company believes that some of the supply contracts are derivatives; however, certain contracts that literally meet the definition of a derivative may be exempted from being recorded at fair value if they qualify for the "normal purchases and normal sales" exception. Normal purchases and normal sales are contracts that provide for the purchase or sale of supply that will be delivered in quantities expected to be used or sold over a reasonable period in the normal course of business. For the year ended December 31, 2013, the Company elected to use the normal purchase and normal sales exception for its forward purchase supply contracts and its customer sales contracts. Derivative instruments that are eligible for the normal purchase and normal sales exception are not required to be recorded at fair value and are considered transactions under executory contracts. Accordingly, the Company records revenue and direct energy costs from its sales and purchase contracts as energy is delivered to its customers.

Fair Value of Financial Instruments: Current guidance states that fair value should be based upon assumptions market participants would use to price an asset or liability, and establishes a hierarchy that prioritizes the information used to determine fair value, whereby quoted market prices in active markets would be given highest priority with lowest priority given to data provided by the reporting entity based on unobservable facts. Disclosure of significant fair value measurements by level within the prescribed hierarchy is also required. The estimated fair value of the Company's financial instruments has been determined using available market information and valuation methodologies. At December 31, 2013, the carrying value of cash and cash equivalents, accounts receivables and accounts payable are representative of their fair values due to the short-term nature of these instruments.

Concentrations of Credit Risk: Financial instruments which potentially subject the Company to concentrations of credit risk consist of cash and cash equivalents and trade accounts receivables. The Company maintains cash with financial institutions which, at times, exceed federally insured limits. The Company monitors the financial condition of these institutions and has experienced no losses associated with the accounts. The Company is not party to any financial instruments which would have off-balance sheet credit or interest rate risk.

Concentrations of credit risk with respect to trade receivables is considered limited due to the large number of customers comprising the Company's customer base. The Company maintains POR contracts with the utility companies, which reduces the Company's exposure to individual customer losses. The Company considers no allowance for doubtful accounts necessary as of December 31, 2013.

Property and Equipment: Property and equipment are stated at cost. Depreciation and amortization is computed on the straight-line method over the estimated useful lives of the assets. Maintenance and repairs are charged to expense as incurred and significant renewals and betterments are capitalized. The cost and related accumulated depreciation and amortization of assets retired or otherwise disposed of are eliminated from the accounts, and any resulting gains or losses are recognized in operations in the year of disposal. Depreciation and amortization expense was \$20,556 for the year ended December 31, 2013.

RICHMOND ROAD HOLDINGS, LLC AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and equipment and related accumulated depreciation and amortization as of December 31, 2013 consists of the following:

	Estimated Useful Life (Years)	
Furniture and fixtures	7	\$ 14,653
Computer equipment	5	50,095
Software	5	44,975
		<u>109,723</u>
Less: accumulated depreciation and amortization		<u>54,821</u>
		<u>\$ 54,902</u>

Impairment of Long-Lived Assets: The Company reviews the recoverability of its long-lived assets, such as property and equipment, when events or changes in circumstances occur that indicate the carrying value of the asset or asset group may not be recoverable. The assessment of possible impairment is based on the Company's ability to recover the carrying value of the asset or asset group from the expected future pre-tax cash flows (undiscounted) of the related operations. If these cash flows are less than the carrying value of such asset, an impairment loss is recognized for the difference between estimated fair value and carrying value. There were no impairment charges to long-lived assets for the year ended December 31, 2013.

Energy Deposits: The Company is required to post collateral with New York Independent System Operator ("NYISO"), wholesale power supplier, and for certain pipelines in order to conduct wholesale transactions or send capacity through the pipelines. NYISO's collateral requirements include a capitalization requirement of \$200,000, energy and ancillary collateral and collateral to participate in the installed capacity market ("ICAP"). The energy and ancillary collateral requirement is calculated by NYISO daily and is equal to sixteen days times the daily average of the previous ten daily settlements. ICAP collateral is required to be posted prior to NYISO's monthly auction. NYISO requires each ESCO to post cash collateral equal to the value to all the ESCO's bids to buy capacity in that particular auction or month. Once the auction is settled, the collateral amount is reduced to the actual cost of the ICAP capacity purchased by the ESCO. As the ESCO makes payments, the required collateral amount is reduced dollar for dollar.

Pipeline collateral is calculated based on a monthly rate of released capacity times expected released capacity over a 90 day period.

As of December 31, 2013, the Company had a total of \$1,935,942 in outstanding energy deposits.

RICHMOND ROAD HOLDINGS, LLC AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Customer Rebates: After one year of service with the Company, customers are eligible to receive a 5% rebate on supply. Due to customer turnover, the Company accrues for these rebates at 3% of revenue each month as contra revenue. For the year ended December 31, 2013, the Company recorded customer rebate expense of \$1,010,436 and the outstanding customer rebate accrual was \$742,515 included in accrued expenses in the accompanying consolidated balance sheet at December 31, 2013. During 2013, the Company made customer rebate payments to customers totaling approximately \$532,000.

Income Taxes: The Company (with consent of its members') has elected to be taxed as a corporation as defined under the Internal Revenue Code. The liability method is used in accounting for deferred income taxes. Under this method, deferred income tax assets and liabilities are determined based on differences between financial reporting and income tax basis of assets and liabilities and are measure using the enacted income tax rates and laws that will be in effect when the differences are expected to reverse. The likelihood of the realization of deferred income tax assets is evaluated annually and a valuation allowance is provided if it is more likely than not that the deferred income tax assets will not give rise to future benefits in the Company's income tax returns.

The Company follows guidance issued by the FASB which clarifies accounting for uncertainty in income taxes prescribing the minimum recognition threshold an income tax position is required to meet before being recognized in the consolidated financial statements and applies to all income tax positions. Each income tax position is assessed using a two-step process. A determination is first made as to whether it is more likely than not that the income tax position will be sustained, based upon technical merits, upon examination by the taxing authorities. If the income tax position is expected to meet the more likely than not criteria, the benefit recorded in the consolidated financial statements equals the largest amount that is greater than 50% likely to be realized upon its ultimate settlement.

The Company has completed its analysis of its income tax positions and believes there are no uncertain income tax positions that would require recognition in the consolidated financial statements as of December 31, 2013. The Company believes that there are no income tax positions taken or expected to be taken that would significantly increase or decrease unrecognized income tax benefits within twelve months of the reporting date. The Company records income tax related interest and penalties, if any, as a component in the provision for income tax expense. For the year ended December 31, 2013, the Company recorded no income tax related interest and penalties.

The Company's federal and state returns for 2010 and subsequent years are open for examination. None of the Company's federal or state income tax returns are currently under examination.

RICHMOND ROAD HOLDINGS, LLC AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition: Revenues from the sale of electricity are recognized in the period in which the commodity is consumed by customers. The billing cycles for customers do not always coincide with the accounting periods used for financial reporting purposes. The Company follows the accrual method of accounting for revenues, whereby revenues applicable to electricity consumed by customers, but not yet billed under the cycle billing method, are estimated and accrued along with the related costs, and included in operations. Accrued unbilled revenues are based on estimates of customer usage since the date of the last meter reading provided by the independent system operators or electric distribution companies. Volume estimates are based on daily forecasted volumes and estimated customer usage. Unbilled revenues are calculated by multiplying volume estimates by the applicable rate by customer class. Such estimates are adjusted to actual billed amounts in subsequent periods. Changes in these estimates are reflected in operations in the period when actual usage is known and billed. As of December 31, 2013, the Company recorded unbilled revenues of \$3,412,058 for retail energy sales, which are included in the accompanying consolidated balance sheet in accounts receivable - trade.

Subsequent Events: The Company evaluates events and transactions occurring after the balance sheet date but before the consolidated financial statements are available for issuance for either recognition or disclosure. The Company evaluated such events and transactions through April 28, 2014, the date on which these consolidated financial statements were available for issuance and identified no events for recognition or disclosure.

NOTE C - BUSINESS COMBINATION

On November 1, 2013, Kiwi Energy executed a merger with Kiwi, Inc., as both entities were under common control. Kiwi Energy is a New York limited liability company formed in December 2012 and Kiwi, Inc. was a New York corporation incorporated in December 2008. As a result of the merger, the separate existence of Kiwi, Inc. ceased and Kiwi Energy continued as the surviving company. Due to common ownership between the entities, this transaction has been accounted for at the carrying values of the respective assets and liabilities, and the results of operations for the year ended December 31, 2013 include both entities from January 1, 2013 as if the merger took place on January 1, 2013.

NOTE D - NOTES PAYABLE TO MEMBERS

At December 31, 2013, the Company had outstanding notes payable totaling \$3,531,293 with two of the Company's majority members. The notes are due at maturity on November 30, 2017. Interest is accrued on the outstanding balance at the applicable federal interest rate determined by the Internal Revenue Service ("IRS") (1.63% at December 31, 2013) and is to be paid in kind at maturity. Interest expense from these members notes for the year ended December 31, 2013 totaled \$46,192.

RICHMOND ROAD HOLDINGS, LLC AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE E - CREDIT FACILITY

The Company entered into a financing arrangement with Shell to obtain assistance in the purchase of power, natural gas and environmental products and to obtain collateral support to certain third parties. In accordance with the financing arrangement, Shell has established a Credit Facility which includes a Revolving Line of Credit ("Revolver") and a Collateral Loan Payable ("Collateral Loan"). The Credit Facility provides for drawdowns on the Revolver and Collateral Loan up to a \$10,000,000 pooled amount through December 17, 2017 (the "Maturity Date"). Drawdowns of the Credit Facility bear interest at the lesser of (i) the highest rate allowed by applicable law or (ii) 3.5% plus the interest adder (if applicable) plus the greater of (x) LIBOR or (y) 3% (adjusted quarterly), as defined in the Credit Facility amended September 23, 2013. Interest rate was 6% at December 31, 2013.

Drawdowns on the Revolver and related accrued interest are payable in full on the 20th day of the month following the month in which the drawdown is made or at an earlier date. As of December 31, 2013, the Revolver totaled \$1,120,766 and is included in current liabilities in the accompanying consolidated balance sheet.

As of December 31, 2013, the Collateral Loan totaled \$1,935,942 with all outstanding principal and unpaid interest due at the Maturity Date. All interest accrued for the immediately preceding month is due and payable on the last day of each month.

The Credit Facility is collateralized by all of the Company's assets. The financing agreement contains various restrictive covenants, including the maintenance of certain financial ratios. The Company was in compliance with all covenants as of December 31, 2013.

NOTE F - INCOME TAXES

The provision for (benefit from) income taxes for the year ended December 31, 2013 consists of the following:

Current:	
Federal	\$ -
State	7,214
Deferred	<u>(441,900)</u>
Total	<u>\$ (434,686)</u>

The effective tax rate differs from the statutory rate of 34% principally due to the Company's net operating loss and valuation allowance.

RICHMOND ROAD HOLDINGS, LLC AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE F - INCOME TAXES (Continued)

The tax effects of temporary differences that give rise to significant portions of deferred income tax assets and liabilities as of December 31, 2013 are as follows:

Deferred income tax assets - current:	
Accrued interest	\$ 16,600
Accrued vacation	14,300
Accrued bonuses	11,800
Customer rebates	252,500
Other accrued expenses	330,900
	<u>626,100</u>
Less: valuation allowance	<u>-</u>
Deferred income tax assets - current	<u>\$ 626,100</u>
Deferred income tax assets (liabilities) - non-current:	
Energy and other deposits	\$ (658,200)
Net operating loss carryforward	474,000
	<u>(184,200)</u>
Less: valuation allowance	<u>-</u>
Deferred tax liabilities - non-current, net	<u>\$ (184,200)</u>

Management periodically assess the need for a valuation allowance to the extent that the results of future operations and the timing of temporary differences reversals are not expected to realize the benefits of deferred income tax assets. The Company believes it is more likely than not that deferred income tax assets will be realized and accordingly, a valuation allowance for such assets has not been recognized.

The Company's net operating loss carryforward totaled approximately \$1,394,000 at December 31, 2013, which will begin to expire in 2027.

RICHMOND ROAD HOLDINGS, LLC AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE G - COMMITMENTS AND CONTINGENCIES

The Company leases office and storage space under non-cancelable operating leases which expire at various dates through April 2015. Rent expense was \$156,914 for the year ended December 31, 2013. Estimated minimum future rental payments required under non-cancelable operating leases having remaining terms in excess of one year as of December 31, 2013 up to expiration are as follows:

Year Ending December 31,

2014	\$ 98,880
2015	<u>101,846</u>
	<u>\$ 200,726</u>

On January 2, 2014, pursuant section 30 of the Company's office lease with 60 Broadway Partners LLC ("60 Broadway"), the Company delivered a Notice of Termination effective February 1, 2014. The lease agreement began on December 1, 2012 with a lease term of three years, as presented above in the future minimum lease payments. During 2013, the building began to undergo extensive repairs to address serious and latent structural problems which resulted in extensive noise, vibrations, and other disturbances preventing the Company from operating its business from the premises. As such, on November 1, 2013, the Company served a Notice of Default to 60 Broadway pursuant to sections 30 and 33.01 of the lease. 60 Broadway was in default under the lease as 1) the disturbance caused by the ongoing repair work has violated and will continue to violate the Company's right to quiet possession of the premises. A right which is implied in all lease agreements in New York and also expressly stated in section 28 of the Lease, and 2) The Company has been and will continue to be actually and constructively evicted from the premises because the disturbances, physical obstructions, and dangerous conditions caused by the repair work rendering the premises unusable as office space, a breach of the fundamental obligation that 60 Broadway owes under the lease. 60 Broadway had not responded to the Notice of Default, and further, has failed to cure, or commence with all due diligence to cure, the defaults within the period provided by the lease. On March 11, 2014, representatives from both the Company and 60 Broadway attended a mediation in order to resolve the lease dispute; however, no conclusion was reached as a result of the mediation. 60 Broadway currently holds a security deposit of \$48,000 in the Company's name. The Company has paid to 60 Broadway all required rent payments under the terms of the lease agreement through January 2014. Management believes based on 60 Broadways defaults under the lease terms, that the Company has no further rent obligation.

In the normal course of business, the Company is party to various pending or threatened claims, lawsuits and administrative proceedings seeking damages or other remedies concerning its commercial operations, employees or other matters. Although the outcome of pending legal proceedings and the effect such outcomes may have on the Company is not known, management believes that any liability resulting from the outcome of such proceedings will not have a material adverse effect on the Company's consolidated financial position, results of operations or liquidity.

RICHMOND ROAD HOLDINGS, LLC AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE H - CONCENTRATIONS

The Company incurred a significant portion of its costs of revenues from one vendor during 2013. For the year ended December 31, 2013, purchases of power and gas from this vendor totaled approximately \$19,200,000 or 80% of cost of revenues.

For the year ended December 31, 2013, the Company did not have an individual customer whose energy revenues accounted for more than 10% of total revenues.

Arrow Energy RRH, LLC

Competitive Retail Electric Supplier Application

Exhibit C-4

Financial Arrangements

This exhibit contains confidential and proprietary information and is being submitted under seal.

Exhibit C-5

Forecasted Financial Statements

This exhibit contains confidential and proprietary information and is being submitted under seal.

Exhibit C-6

Credit Rating

Arrow Energy RRH, LLC was formed on February 12, 2015. As such, the Company currently does not have a credit rating of its own. However, please see the attached credit rating for parent company, Richmond Road Holdings, and affiliated entity, Kiwi Energy NY LLC, an energy services company operating in New York since 2008.



Report

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Search inquiry: Richmond Road Holdings Llc / New York / NY / (My company)

CreditScoreSM Report

as of: 12/10/15 10:30 ET

Richmond Road Holdings LLC

Address: 144 N 7th St # 417
Brooklyn, NY 11249-2920
United States

Experian BIN: 984599824

Business Type: Corporation
Experian File Established: May 2014
Experian Years on File: 1 Year
Years in Business: More than 1 Year

UCC Filings: 1

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

✗ Businesses Scoring Worse: 25%

✓ **Bankruptcies:** 0

✓ **Liens:** 0

✓ **Judgments Filed:** 0

✓ **Collections:** 0

Credit Summary

[Back to top](#)

Credit Ranking Score: 26

High Risk  Low Risk

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

Key Score Factors:

- Nbr of active commercial accts within the last 12 mos.
- Number of commercial accounts with net 1-30 days term.
- Number of recently active commercial accounts.
- Number of commercial accounts including commercial leases.

Recommended Action: Medium Risk

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Search Inquiry: Kiwi Energy Ny Llc / New York / NY / (My company)

CreditScoreSM Report

as of: 12/10/15 10:28 ET

Kiwi Energy Ny LLC

Address: 144 N 7th St # 417
Brooklyn, NY 11249-2920
United States

Experian BIN: 989417575

Agent: Power & Gas Consulting LLC

Agent Address: 13307 ST Mary&Apos;S Lane
Houston, TX

Key Personnel: Richard Booth
Donald M Cheesman
Stephen B Eskrigge

Business Type: Corporation

Experian File Established: August 2014

Experian Years on File: 1 Year

Years in Business: More than 1 Year

Filing Data Provided by: New York

Date of Incorporation: 01/09/2015

UCC Filings: 1

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

✗ **Businesses Scoring Worse:** 24%

✓ **Bankruptcies:** 0

✓ **Liens:** 0

✓ **Judgments Filed:** 0

✓ **Collections:** 0

Credit Summary

[Back to top](#)

Credit Ranking Score: 25

High Risk  Low Risk

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

Key Score Factors:

- Nbr of active commercial accts within the last 12 mos.
- Number of commercial accounts with net 1-30 days term.
- Number of recently active commercial accounts.
- Number of commercial accounts including commercial leases.

Recommended Action: Medium To High Risk

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Exhibit C-7

Credit Report

Arrow Energy RRH, LLC was formed on February 12, 2015. As such, the Company currently does not have a credit report.

Exhibit C-8

Bankruptcy Information

Arrow Energy RRH, LLC and affiliates have not undergone reorganization or made any bankruptcy filings to date.

Exhibit C-9

Merger Information

Arrow Energy RRH, LLC has not gone through a dissolution, merger or acquisition.

Arrow Energy RRH, LLC

Competitive Retail Electric Supplier Application

Attachment D

Operations

Operations Expertise

Key Technical Personnel

FERC Power Marketer License Number

Exhibit D-1

Operations

Arrow Energy RRH, LLC's business operations will include the scheduling of retail power for transmission and delivery, the provision of retail ancillary services as well as other services used to arrange for the purchase and delivery of electricity to retail customers in the state of Ohio.

Exhibit D-2**Operations Expertise*****Richard Booth, President of Retail Operations.***

Richard Booth brings more than 10 years of experience in overseeing operations and acquiring customers in the competitive energy markets in the United States, New Zealand and Australia. Richard currently oversees the operations at Kiwi Energy NY LLC, an energy supplier in New York, which has a customer base of more than 75,000. Previously, Richard was in a similar role at Frontier Utilities based in Texas. Prior to his role at Frontier Utilities, Richard was the General Manager of Sales and Marketing at Victoria Electricity where he was responsible for a team of 200 employees which consisted of 12 supply partners and 150 staff members. This team covered customer acquisition and retention, and marketing and electricity, gas and telecommunications markets in Victoria, New South Wales, Queensland and South Australia. Richard's team was also responsible for Ecogold, a loyalty program which included an environmental fund with ongoing communication of special offers to customers from various business partners. When Richard left Victoria Electricity to set up Frontier Utilities in Texas, the company had more than 400,000 customers. Prior to joining Victoria Electricity, Richard managed the commercial sales team at Energy Online.

Lisa Hawkins, Chief Financial Officer.

Lisa joined Kiwi Energy as the Chief Financial Officer in April 2012. Lisa is responsible for managing the financial and economic risks of the company. She manages the financial planning, record keeping, and reporting for Kiwi Energy. Prior to joining Kiwi, Lisa was a Manager within the Assurance Practice at PricewaterhouseCoopers, LLP ("PwC"). There she gained significant experience in public and private client audits within a range of industries including mortgage banking, oil & gas, manufacturing, and other financial services. She has assisted her clients with SEC filings, including Form 10-K and 10-Q filings, governmental compliance requirements and public and private debt/equity offering transactions. She has served multinational corporations as well as venture capital funds. She earned a Bachelor's degree in Business Administration and Master in Professional Accounting from The University of Texas and is a licensed Certified Public Accountant in both the states of Texas and New York.

Michael Lordi, Vice President of Supply.

Michael has been the VP of Supply for Kiwi Energy since July 2014. He has over 25 years of experience in the energy industry. After receiving a degree in electrical engineering, Michael joined the transmission planning department at Consolidated Edison Company in New York. He continued power system planning and operations at the Northeast Power Coordinating Council (NPCC). At NPCC, Michael performed studies that determine power transfer capabilities in the Northeast and Mid-Atlantic regions. Michael moved to trading electricity and natural gas when he joined Enron Power Marketing. Michael next held senior trading position at Duke/Louis Dreyfus and CNG Energy Services. At CNG, Michael was responsible all wholesale and retail electricity activities. Following CNG, Michael joined Électricité de France (EDFT) in London. At EDFT, he was head of all electricity trading and asset optimization in Europe. Before joining Kiwi Energy, Michael was the Executive Director of Retail Energy Business Development at Gulf Oil. At Gulf Oil, Michael was responsible for the retail electric business unit including supply desk activities.

Exhibit D-3

Key Technical Personnel

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Arrow Energy RRH, LLC

Competitive Retail Electric Supplier Application

Exhibit D-4

FERC Power Marketer License Number

The FERC Power Marketer License Number for Arrow Energy RRH, LLC is ER15-1612-000.

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Summary: Application Certification Application for Retail Generation Providers and Power Marketers electronically filed by Mr. Stephen M Howard on behalf of Arrow Energy RRH, LLC