



DIS Case Number: 17-2113-EL-AGG

Section A: Application Information

Section B: Applicant Managerial Capability and Experience

Section C: Applicant Financial Capability and Experience

C-3. Forecasted financial statements

Provide two years of forecasted income statements **based solely on the applicant's anticipated business activities in the state of Ohio.**

Include the following information with the forecast: a list of assumptions used to generate the forecast; a statement indicating that the forecast is based solely on Ohio business activities only; and the name, address, email address, and telephone number of the preparer of the forecast.

The forecast may be in one of two acceptable formats: 1) an annual format that includes the current year and the two years succeeding the current year; or 2) a monthly format showing 24 consecutive months following the month of filing this application broken down into two 12-month periods with totals for revenues, expenses, and projected net incomes for both periods. Please show revenues, expenses, and net income (revenues minus total expenses) that is expected to be earned and incurred in **business activities only in the state of Ohio** for those periods.

If the applicant is filing for both an electric certificate and a natural gas certificate, please provide a separate and distinct forecast for revenues and expenses representing Ohio electric business activities in the application for the electric certificate and another forecast representing Ohio natural gas business activities in the application for the natural gas certificate.

File(s) attached

Section D: Applicant Technical Capacity



Public Utilities
Commission

Application Attachments

UNITED STATES OF AMERICA
STATE OF OHIO
OFFICE OF THE SECRETARY OF STATE

I, Frank LaRose, do hereby certify that I am the duly elected, qualified and present acting Secretary of State for the State of Ohio, and as such have custody of the records of Ohio and Foreign business entities; that said records show TEXAS ENERGY OPTIONS, INC., a Texas corporation, having qualified to do business within the State of Ohio on October 3, 2017 under License No. 4079568 is currently in GOOD STANDING upon the records of this office.



*Witness my hand and the seal of the
Secretary of State at Columbus, Ohio
this 17th day of September, A.D.
2021.*

A handwritten signature in blue ink, appearing to read "Frank LaRose", written in a cursive style.

Ohio Secretary of State

Validation Number: 202126003742

Summary

Order Reference: michael.bohner@dandb.com | Report as of: 10-13-2021 | using Currency as USD

TEXAS ENERGY OPTIONS, INC

Tradestyle(s): -

ACTIVE SINGLE LOCATION

Address: 3330 N Briarpark Ln, Moved From: 3350 Highway 6 S Ste 404, Sugar Land, Tx, Sugar Land, TX, 77479, UNITED STATES
Phone: (281) 797-4138
D-U-N-S: 10-798-3392
In Portfolio: No

Risk of Bad Debt Write-off

93
(No change since last month)

Cash Flow Risk

76
(No change since last month)

Age of Business

19 years
2001 Year Started

Employees

1

Company Profile

D-U-N-S

10-798-3392

Legal Form

Corporation (US)

History Record

Incomplete

Date Incorporated

11-27-2001

State of Incorporation

Texas

Ownership

Not publicly traded

Mailing Address

United States

Telephone

(281) 797-4138

Present Control Succeeded

2001

Annual Sales

US\$ 500,000

Employees

1

Age (Year Started)

19 years (2001)

Named Principal

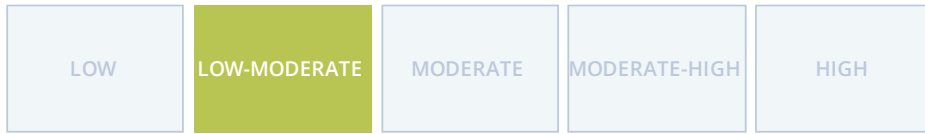
Jay Ferry, PRES

Line of Business

Business consulting services

Risk Assessment

Overall Business Risk



Maximum Credit Recommendation

US\$ 13,000

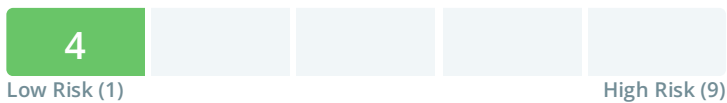
Dun & Bradstreet Thinks...

- Overall assessment of this organization over the next 12 months: **STABLE CONDITION**
- Based on the predicted risk of business discontinuation: **HIGH LIKELIHOOD OF CONTINUED OPERATIONS**
- Based on the predicted risk of severely delinquent payments: **LOW POTENTIAL FOR SEVERELY DELINQUENT PAYMENTS**

The recommended limit is based on a moderately low probability of severe delinquency.

D&B Viability Rating

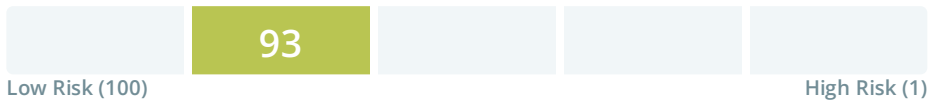
Portfolio Comparison Score



Company's risk level is: **LOW**

Probability that a company will go out of business, become dormant/inactive, or file for bankruptcy/insolvency within the next 12 months: **4.00 %**

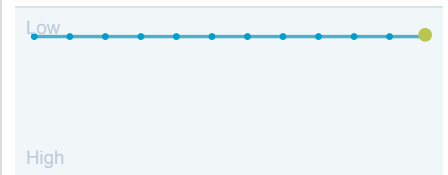
Risk of Bad Debt Write-off (also known as the Failure Score)



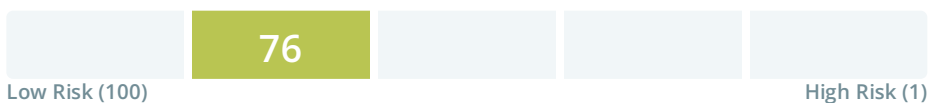
Company's risk level is: **LOW-MODERATE**

Based on the D&B Failure Score, the probability of failure for this company in the next 12 months is **0.06 %**, which makes it a **Low-Moderate** risk for you to incur a write-off.

Past 12 Months



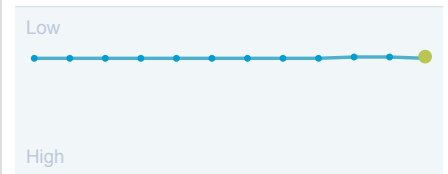
Cash Flow Risk (also known as the Delinquency Score)



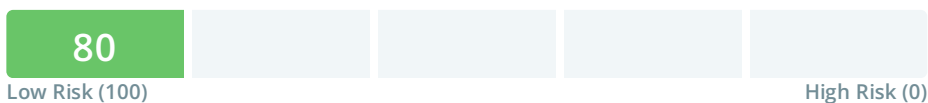
Company's risk level is: **LOW-MODERATE**

Based on the D&B Delinquency Score reporting a payment behavior of **CONSISTENT, TIMELY PAYMENTS**, this company is predicted to have a **Low-Moderate** risk of a negative impact to your cash flow.

Past 12 Months



Payment Behavior



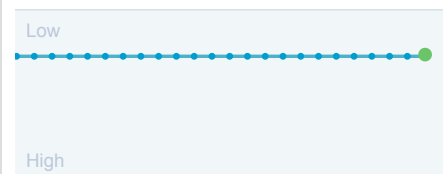
Company's risk level is: **LOW**

Pays On Time

Based on a D&B PAYDEX® of **80**

According to the D&B PAYDEX® Score, this company paid its vendors on time

Past 24 Months



D&B Rating

Current Rating as of 01-12-2016

Special Rating

-- : Undetermined

Legal Events

Events	Occurrences	Last Filed
Bankruptcies	0	-
Judgements	0	-
Liens	0	-
Suits	0	-
UCC	0	-

Trade Payments

Highest Past Due

US\$ 0

Highest Now Owing
US\$ 0

Total Trade Experiences
4

Largest High Credit
US\$ 10,000

Average High Credit
US\$ 4,183

Ownership

This company is a **Single Location**

Financial Overview

This company does not have a Financial Summary.

Country/Regional Insight

United States



Risk Category

LOW

Low Risk

MODERATE

HIGH

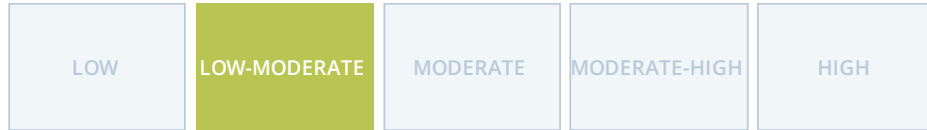
High Risk

Record-high natural gas prices and increasing volatility in the global energy market look set to push inflation higher.

Risk Assessment

D&B Guidance

Overall Business Risk



Maximum Credit Recommendation

US\$ 13,000

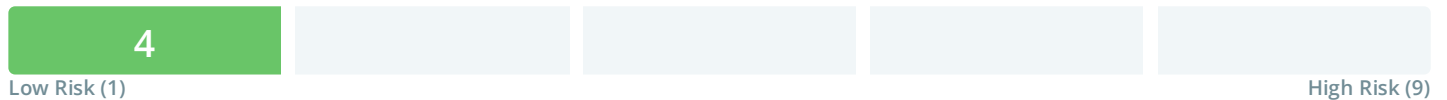
Dun & Bradstreet Thinks...

- Overall assessment of this organization over the next 12 months: **STABLE CONDITION**
- Based on the predicted risk of business discontinuation: **HIGH LIKELIHOOD OF CONTINUED OPERATIONS**
- Based on the predicted risk of severely delinquent payments: **LOW POTENTIAL FOR SEVERELY DELINQUENT PAYMENTS**

The recommended limit is based on a moderately low probability of severe delinquency.

D&B Viability Rating

Portfolio Comparison Score



Rating Confidence Level



Data Depth

- Rich Firmographics
- Extensive Commercial Trading Activity
- No Financial Attributes

Level of Risk

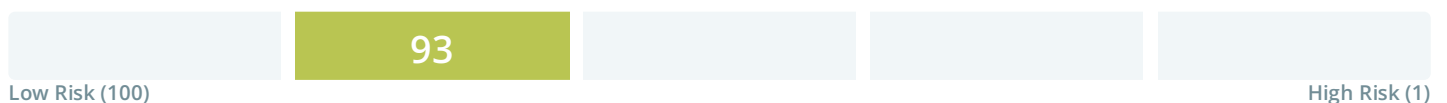
Low

Probability of becoming no longer viable
4.00%

Percentage of businesses ranked with this score
11.00%

Average probability of becoming no longer viable
5.00%

Risk Of Bad Debt Write-Off (Also Known As The Failure Score)



Based on a D&B Failure Score of **93**

- Higher risk industry based on failure rates by industry
- Higher risk state based on failure rates by state

Level of Risk

Low-Moderate

Raw Score

1559

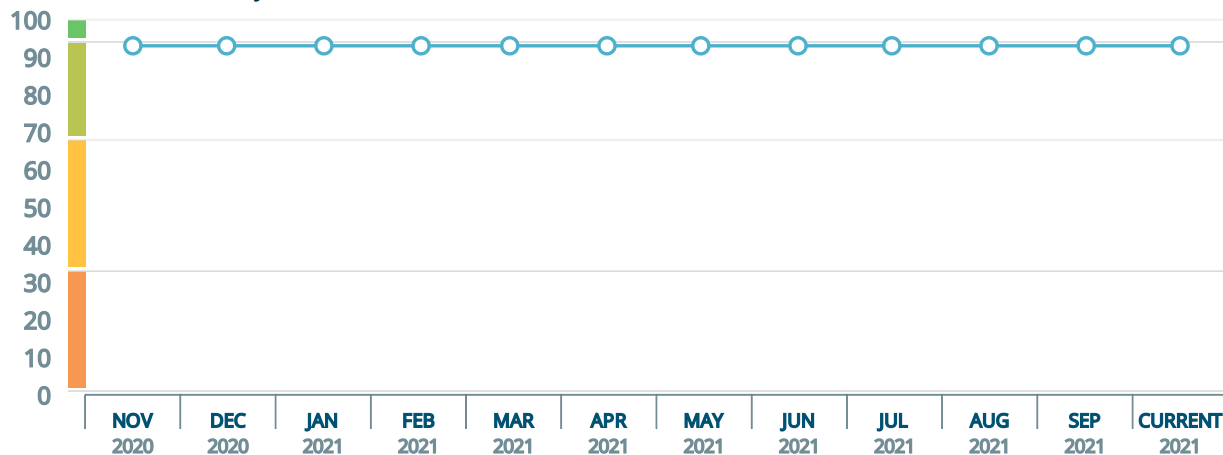
Probability of Failure

0.06%

Average Probability of Failure for
Businesses in D&B Database

0.48%

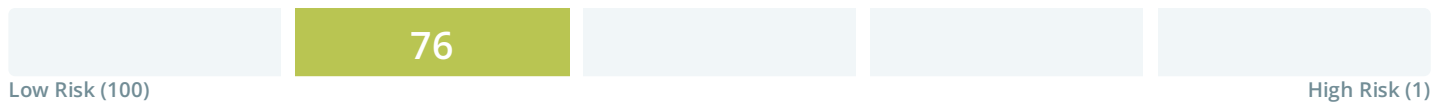
Business and Industry Trends



Failure Score



Cash Flow Risk (Also Known As The Delinquency Score)



Based on a D&B Delinquency Score of **76**

- Limited number of satisfactory payment experiences
- Higher risk industry based on delinquency rates for this industry
- Higher risk region based on delinquency rates for this region
- Limited business activity signals reported in the past 12 months
- Decreasing trend in reported number of payment experiences

Level of Risk

Low-Moderate

Raw Score

540

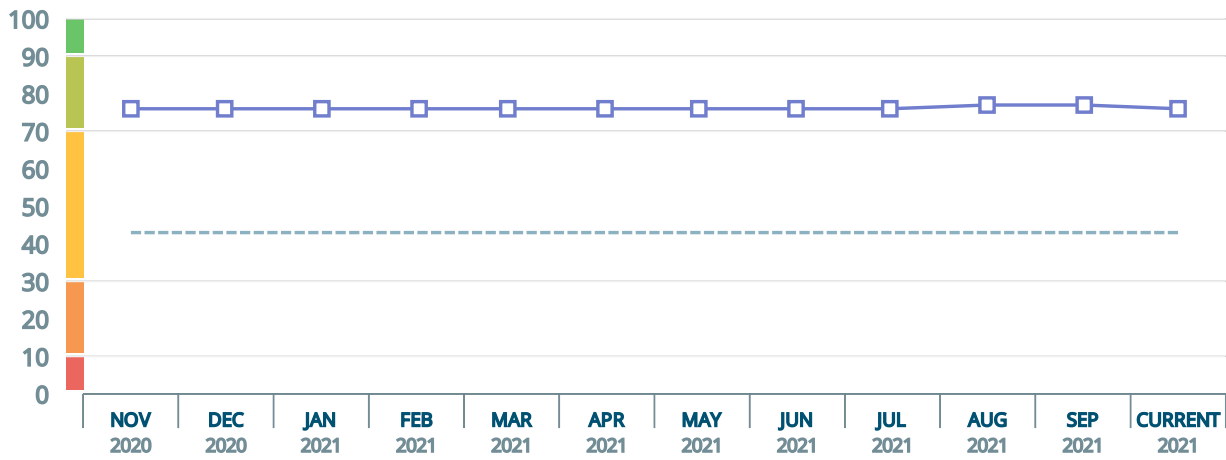
Probability of Delinquency

3.08%

Compared to Businesses in D&B
Database

10.20%

Business and Industry Trends



Delinquency Score



Industry Median ...



Payment Behavior

Based on 24 months of data

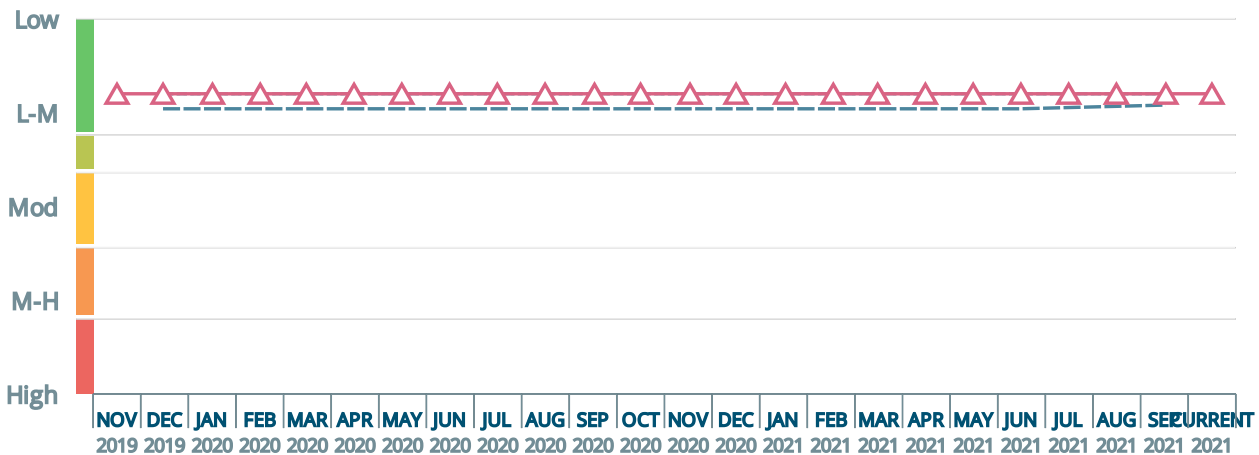


Risk of Slow Pay
Low

Payment Behavior
Pays on time:

Business and Industry Trends

8748 - Business consulting services



PAYDEX®



Industry Median ...



Industry Upper Q...



Industry Lower Q...



D&B Rating

Current Rating as of 01-12-2016

Special Rating

-- : Undetermined

Trade Payments

Trade Payments Summary (Based on 24 months of data)

Overall Payment Behavior

0

Days Beyond Terms

% of Trade Within Terms

100%

Highest Past Due

US\$ 0

Highest Now Owing:

US\$ 0

Total Trade Experiences:

4

Largest High Credit:

US\$ 10,000

Average High Credit:

US\$ 4,183

Total Unfavorable Comments:

0

Largest High Credit:

US\$ 0

Total Placed in Collections:

0

Largest High Credit:

US\$ 0

Trade Payments By Credit Extended (Based on 12 months of data)

Range of Credit Extended (US\$)	Number of Payment Experiences	Total Value	% Within Terms
100,000 & over	0	US\$ 0	0
50,000 - 99,999	0	US\$ 0	0
15,000 - 49,999	0	US\$ 0	0
5,000 - 14,999	1	US\$ 10,000	100
1,000 - 4,999	1	US\$ 2,500	100
Less than 1,000	1	US\$ 50	100

Trade Payments By Industry (Based on 24 months of data)

Industry Category	Number of Payment Experiences	Largest High Credit (US\$)	% Within Terms (Expand to View)	1 - 30 Days Late (%)	31 - 60 Days Late (%)	61 - 90 Days Late (%)	91 + Days Late (%)
▼ 91 - Executive Legislative and General Government except Finance	3	10,000					
9111 - Executive office	3	10,000	100	0	0	0	0

Trade Lines						
Date of Experience	Payment Status	Selling Terms	High Credit (US\$)	Now Owes (US\$)	Past Due (US\$)	Months Since Last Sale
05/21	Pays Promptly	-	10,000	-	-	1
05/21	Pays Promptly	-	2,500	-	-	1
05/21	Pays Promptly	-	50	-	-	1
07/20	-	Cash account	50	-	-	Between 6 and 12 Months

Legal Events

<p>Judgements</p> <p>0</p> <p>Latest Filing: -</p>	<p>Liens</p> <p>0</p> <p>Latest Filing: -</p>	<p>Suits</p> <p>0</p> <p>Latest Filing: -</p>	<p>UCC Filings</p> <p>0</p> <p>Latest Filing: -</p>
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D&B has not received any Public Filings for this company

Special Events

<div>08-27-2019</div> <p>Business address has changed from 3350 Highway 6 S Ste 404, Sugar Land, TX, 77479 to 3330 N Briarpark Ln, Sugar Land, TX, 77479.</p>

Company Profile

Company Overview		
<p>D-U-N-S 10-798-3392</p> <p>Legal Form Corporation (US)</p> <p>History Record Incomplete</p> <p>Date Incorporated 11-27-2001</p> <p>State of Incorporation Texas</p> <p>Ownership Not publicly traded</p>	<p>Mailing Address United States</p> <p>Telephone (281) 797-4138</p> <p>Present Control Succeeded 2001</p>	<p>Annual Sales US\$ 500,000</p> <p>Employees 1</p> <p>Age (Year Started) 19 years (2001)</p> <p>Named Principal Jay Ferry, PRES</p> <p>Line of Business Business consulting services</p>

Business Registration

Corporate and business registrations reported by the secretary of state or other official source as of: 10-11-2021
This data is for informational purposes only, certification can only be obtained through the Office of the Secretary of State.

Registered Name	TEXAS ENERGY OPTIONS, INC
-----------------	---------------------------

Corporation Type	Corporation (US)
------------------	------------------

Business Commenced On	2001
-----------------------	------

State of Incorporation	TEXAS
------------------------	-------

Date Incorporated	11-27-2001
-------------------	------------

Registration ID	0800030538
-----------------	------------

Registration Status	IN EXISTENCE
---------------------	--------------

Filing Date	11-27-2001
-------------	------------

Where Filed	SECRETARY OF STATE
-------------	--------------------

Registered Agent

Name	JAY REEVES FERRY
------	------------------

Address	3330 NORTH BRIARPARK LANE, SUGAR LAND, TX, 774790000
---------	--

Registered Principal

Name	JAY REEVES FERRY
------	------------------

Title	President
-------	-----------

Address	3330 NORTH BRIARPARK LANE, SUGAR LAND, TX, 774790000
---------	--

Name	JAY REEVES FERRY
------	------------------

Title	Director
-------	----------

Address	3330 NORTH BRIARPARK LANE, SUGAR LAND, TX, 774790000
---------	--

Principals

Officers

JAY FERRY, PRES

Directors

DIRECTOR(S): THE OFFICER(S)

Company Events

The following information was reported on: 08-28-2021

On August 27, 2019, the Texas Secretary of States business registrations file showed that Texas Energy Options, Inc was registered as a Corporation on November 27, 2001, under file registration number 0800030538. Stock ownership is not available.

Business started 2001.

JAY FERRY. Work history unknown.

Business address has changed from 3350 Highway 6 S Ste 404, Sugar Land, TX, 77479 to 3330 N Briarpark Ln, Sugar Land, TX, 77479.

Business Activities And Employees

The following information was reported on: 08-28-2021

Business Information

Description	Provides business consulting services, specializing in energy conservation. Provides management consulting services. Territory : United States.
Employees	1 which includes officer(s).
Financing Status	Unsecured
Facilities	Occupies premises in building.

SIC/NAICS Information

SIC Codes	SIC Description	Percentage of Business
8748	Business consulting services	-
87489904	Energy conservation consultant	-
87420000	Management consulting services	-

NAICS Codes	NAICS Description
541690	Other Scientific and Technical Consulting Services
541611	Administrative Management and General Management Consulting Services

Government Activity

Activity Summary

Borrower(Dir/Guar)	No
Administrative Debt	No
Contractor	No

Activity Summary

Grantee	No
Party excluded from federal program(s)	No

Possible candidate for socio-economic program consideration

Small Business	Yes (2021)
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Financials

D&B currently has no financial information on file for this company

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Competitive Retail Electric Service Affidavit

County of Fort Bend :

State of TEXAS :

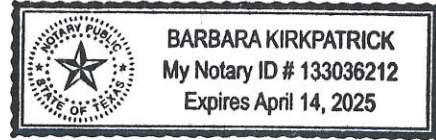
Jay Reeves Ferry, Affiant, being duly sworn/affirmed, hereby states that:

1. The information provided within the certification or certification renewal application and supporting information is complete, true, and accurate to the best knowledge of affiant, and that it will amend its application while it is pending if any substantial changes occur regarding the information provided.
2. The applicant will timely file an annual report of its intrastate gross receipts, gross earnings, and sales of kilowatt-hours of electricity pursuant to Sections 4905.10(A), 4911.18(A), and 4928.06(F), Ohio Revised Code.
3. The applicant will timely pay any assessment made pursuant to Sections 4905.10, 4911.18, and 4928.06(F), Ohio Revised Code.
4. The applicant will comply with all applicable rules and orders adopted by the Public Utilities Commission of Ohio pursuant to Title 49, Ohio Revised Code.
5. The applicant 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 will fully comply with Section 4928.09, Ohio Revised Code regarding consent to the jurisdiction of Ohio Courts and the service of process.
7. The applicant will comply with all state and/or federal rules and regulations concerning consumer protection, the environment, and advertising/promotions.
8. The applicant 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 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, 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.
11. The Applicant will inform the Public Utilities Commission of Ohio 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 consumer complaints.

12. The facts set forth above are true and accurate 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.

13. Affiant further sayeth naught.

John J. President
Signature of Affiant & Title



Sworn and subscribed before me this 14 day of October, 2021
Month Year

Barbara
Signature of official administering oath

Barbara Kirkpatrick
Print Name and Title Notary

My commission expires on April 14, 2025

Form **8879-S****IRS e-file Signature Authorization for Form 1120-S**

OMB No. 1545-0123

2020Department of the Treasury
Internal Revenue Service

- ERO must obtain and retain completed Form 8879-S.
► Go to www.irs.gov/Form8879S for the latest information.

For calendar year 2020, or tax year beginning , 2020, and ending , 20

Name of corporation

Employer identification number

TEXAS ENERGY OPTIONS INC**Part I Tax Return Information** (Whole dollars only)

1	Gross receipts or sales less returns and allowances (Form 1120-S, line 1c)	1	572,249.
2	Gross profit (Form 1120-S, line 3)	2	572,249.
3	Ordinary business income (loss) (Form 1120-S, line 21)	3	344,563.
4	Net rental real estate income (loss) (Form 1120-S, Schedule K, line 2)	4	
5	Income (loss) reconciliation (Form 1120-S, Schedule K, line 18)	5	343,851.

Part II Declaration and Signature Authorization of Officer (Be sure to get a copy of the corporation's return)

Under penalties of perjury, I declare that I am an officer of the above corporation and that I have examined a copy of the corporation's 2020 electronic income tax return and accompanying schedules and statements and to the best of my knowledge and belief, it is true, correct, and complete. I further declare that the amounts in Part I above are the amounts shown on the copy of the corporation's electronic income tax return. I consent to allow my electronic return originator (ERO), transmitter, or intermediate service provider to send the corporation's return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) the reason for any delay in processing the return or refund, and (c) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the corporation's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at **1-888-353-4537** no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the corporation's electronic income tax return and, if applicable, the corporation's consent to electronic funds withdrawal.

Officer's PIN: check one box only

☒ I authorize KENWOOD & ASSOCIATES, P C to enter my PIN 9 6 6 7 3 as my signature
ERO firm name Don't enter all zeros
on the corporation's 2020 electronically filed income tax return.

☐ As an officer of the corporation, I will enter my PIN as my signature on the corporation's 2020 electronically filed income tax return.

Officer's signature ► _____ Date ► 09/14/2021 Title ► SHAREHOLDER

Part III Certification and Authentication

ERO's EFIN/PIN. Enter your six-digit EFIN followed by your five-digit self-selected PIN.

7	6	7	3	1	2	7	6	0	2	0
---	---	---	---	---	---	---	---	---	---	---

Don't enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2020 electronically filed income tax return for the corporation indicated above. I confirm that I am submitting this return in accordance with the requirements of **Pub. 3112**, IRS e-file Application and Participation, and **Pub. 4163**, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns.

ERO's signature ► _____ Date ► _____

ERO Must Retain This Form - See Instructions
Don't Submit This Form to the IRS Unless Requested To Do So

For Paperwork Reduction Act Notice, see instructions.

Form **8879-S** (2020)

Form **1120-S**Department of the Treasury
Internal Revenue Service**U.S. Income Tax Return for an S Corporation**

Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation.
Go to www.irs.gov/Form1120S for instructions and the latest information.

OMB No. 1545-0123

2020

For calendar year 2020 or tax year beginning

, 2020, ending

, 20

A S election effective date 01/01/2003	NAME TEXAS ENERGY OPTIONS INC	D Employer identification number
B Business activity code number (see instructions) 541990	TYPE OR PRINT Number, street, and room or suite no. If a P.O. box, see instructions. 3350 HIGHWAY 6 SOUTH SUITE 404	E Date incorporated 11/27/2001
C Check if Sch. M-3 attached <input type="checkbox"/>	City or town, state or province, country, and ZIP or foreign postal code SUGAR LAND, TX 77478	F Total assets (see instructions) \$ 116,984.

G Is the corporation electing to be an S corporation beginning with this tax year? ☐ Yes ☒ No If "Yes," attach Form 2553 if not already filed**H** Check if: (1) ☐ Final return (2) ☐ Name change (3) ☐ Address change (4) ☐ Amended return (5) ☐ S election termination or revocation**I** Enter the number of shareholders who were shareholders during any part of the tax year **1****J** Check if corporation: (1) ☐ Aggregated activities for section 465 at-risk purposes (2) ☐ Grouped activities for section 469 passive activity purposes**Caution:** Include **only** trade or business income and expenses on lines 1a through 21. See the instructions for more information.

Income	1a Gross receipts or sales	1a	572,249.	
	b Returns and allowances	1b		
	c Balance. Subtract line 1b from line 1a	1c	572,249.	
	2 Cost of goods sold (attach Form 1125-A)	2		
	3 Gross profit. Subtract line 2 from line 1c	3	572,249.	
	4 Net gain (loss) from Form 4797, line 17 (attach Form 4797)	4		
Deductions (see instructions for limitations)	5 Other income (loss) (see instructions - attach statement)	5		
	6 Total income (loss). Add lines 3 through 5	6	572,249.	
	7 Compensation of officers (see instructions - attach Form 1125-E)	7	86,878.	
	8 Salaries and wages (less employment credits)	8	16,800.	
	9 Repairs and maintenance	9		
	10 Bad debts	10		
	11 Rents	11	21,600.	
	12 Taxes and licenses	12	7,826.	
	13 Interest (see instructions)	13		
	14 Depreciation not claimed on Form 1125-A or elsewhere on return (attach Form 4562)	14		
	15 Depletion (Do not deduct oil and gas depletion.)	15		
	16 Advertising	16		
Tax and Payments	17 Pension, profit-sharing, etc., plans	17	16,884.	
	18 Employee benefit programs	18		
	19 Other deductions (attach statement)	19	77,698.	
	20 Total deductions. Add lines 7 through 19	20	227,686.	
	21 Ordinary business income (loss). Subtract line 20 from line 6	21	344,563.	
	22a Excess net passive income or LIFO recapture tax (see instructions)	22a		
	b Tax from Schedule D (Form 1120-S)	22b		
	c Add lines 22a and 22b (see instructions for additional taxes)	22c		
	23a 2020 estimated tax payments and 2019 overpayment credited to 2020	23a		
	b Tax deposited with Form 7004	23b	NONE	
c Credit for federal tax paid on fuels (attach Form 4136)	23c			
d Reserved for future use	23d			
e Add lines 23a through 23d	23e	NONE		
24 Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/>	24			
25 Amount owed. If line 23e is smaller than the total of lines 22c and 24, enter amount owed	25			
26 Overpayment. If line 23e is larger than the total of lines 22c and 24, enter amount overpaid	26	NONE		
27 Enter amount from line 26: Credited to 2021 estimated tax NONE Refunded NONE	27	NONE		

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Sign Here Signature of officer **JAY FERRY** Date **09/14/2021** Title **PRESIDENT**

May the IRS discuss this return with the preparer shown below? See instructions. ☒ Yes ☐ No

Paid Preparer Use Only	Print/Type preparer's name KENNETH J WOOD	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN P00000904
	Firm's name KENWOOD & ASSOCIATES, P C	Firm's EIN 76-0200879			
	Firm's address 14090 SOUTHWEST FRWY, STE 200 SUGAR LAND, TX 77478	Phone no. 281-243-2300			

For Paperwork Reduction Act Notice, see separate instructions.

Form **1120-S** (2020)

Schedule B Other Information (see instructions)

		Yes	No
1 Check accounting method: a <input checked="" type="checkbox"/> Cash b <input type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) ▶ _____			
2 See the instructions and enter the: a Business activity ▶ <u>MANAGING ACQUISITION</u> b Product or service ▶ <u>BID SERVICES-ENERGY</u>			
3 At any time during the tax year, was any shareholder of the corporation a disregarded entity, a trust, an estate, or a nominee or similar person? If "Yes," attach Schedule B-1, Information on Certain Shareholders of an S Corporation . . .			X
4 At the end of the tax year, did the corporation:			
a Own directly 20% or more, or own, directly or indirectly, 50% or more of the total stock issued and outstanding of any foreign or domestic corporation? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v) below			X
(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage of Stock Owned
(v) If Percentage in (iv) is 100%, Enter the Date (if any) a Qualified Subchapter S Subsidiary Election Was Made			
b Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v) below			X
(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization
(v) Maximum Percentage Owned in Profit, Loss, or Capital			
5a At the end of the tax year, did the corporation have any outstanding shares of restricted stock? If "Yes," complete lines (i) and (ii) below.			X
(i) Total shares of restricted stock ▶ _____			
(ii) Total shares of non-restricted stock ▶ _____			
b At the end of the tax year, did the corporation have any outstanding stock options, warrants, or similar instruments?			X
If "Yes," complete lines (i) and (ii) below.			
(i) Total shares of stock outstanding at the end of the tax year ▶ _____			
(ii) Total shares of stock outstanding if all instruments were executed ▶ _____			
6 Has this corporation filed, or is it required to file, Form 8918 , Material Advisor Disclosure Statement, to provide information on any reportable transaction?			X
7 Check this box if the corporation issued publicly offered debt instruments with original issue discount <input type="checkbox"/> If checked, the corporation may have to file Form 8281 , Information Return for Publicly Offered Original Issue Discount Instruments.			
8 If the corporation (a) was a C corporation before it elected to be an S corporation or the corporation acquired an asset with a basis determined by reference to the basis of the asset (or the basis of any other property) in the hands of a C corporation, and (b) has net unrealized built-in gain in excess of the net recognized built-in gain from prior years, enter the net unrealized built-in gain reduced by net recognized built-in gain from prior years. See instructions ▶ \$ _____			
9 Did the corporation have an election under section 163(j) for any real property trade or business or any farming business in effect during the tax year? See instructions			X
10 Does the corporation satisfy one or more of the following? See instructions.			X
a The corporation owns a pass-through entity with current, or prior year carryover, excess business interest expense.			
b The corporation's aggregate average annual gross receipts (determined under section 448(c)) for the 3 tax years preceding the current tax year are more than \$26 million and the corporation has business interest expense.			
c The corporation is a tax shelter and the corporation has business interest expense. If "Yes," complete and attach Form 8990.			
11 Does the corporation satisfy both of the following conditions?			X
a The corporation's total receipts (see instructions) for the tax year were less than \$250,000.			
b The corporation's total assets at the end of the tax year were less than \$250,000. If "Yes," the corporation is not required to complete Schedules L and M-1.			

Schedule B	Other Information (see instructions) (continued)	Yes	No
12	During the tax year, did the corporation have any non-shareholder debt that was canceled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt? If "Yes," enter the amount of principal reduction ▶ \$		X
13	During the tax year, was a qualified subchapter S subsidiary election terminated or revoked? If "Yes," see instructions		X
14 a	Did the corporation make any payments in 2020 that would require it to file Form(s) 1099?	X	
b	If "Yes," did the corporation file or will it file required Form(s) 1099?	X	
15	Is the corporation attaching Form 8996 to certify as a Qualified Opportunity Fund? If "Yes," enter the amount from Form 8996, line 15 ▶ \$		X

Schedule K	Shareholders' Pro Rata Share Items	Total amount
Income (Loss)	1 Ordinary business income (loss) (page 1, line 21)	1 344,563.
	2 Net rental real estate income (loss) (attach Form 8825)	2
	3 a Other gross rental income (loss) 3a	
	b Expenses from other rental activities (attach statement) 3b	
	c Other net rental income (loss). Subtract line 3b from line 3a. 3c	
	4 Interest income STMT. 2. 4	23.
	5 Dividends: a Ordinary dividends 5a	
	b Qualified dividends 5b	
	6 Royalties 6	
	7 Net short-term capital gain (loss) (attach Schedule D (Form 1120-S)). 7	
Deductions	8 a Net long-term capital gain (loss) (attach Schedule D (Form 1120-S)) 8a	
	b Collectibles (28%) gain (loss) 8b	
	c Unrecaptured section 1250 gain (attach statement). 8c	
	9 Net section 1231 gain (loss) (attach Form 4797) 9	
10 Other income (loss) (see instructions). Type ▶ 10		
Deductions	11 Section 179 deduction (attach Form 4562). 11	
	12 a Charitable contributions STMT. 2. 12a	735.
	b Investment interest expense 12b	
	c Section 59(e)(2) expenditures Type ▶ 12c	
d Other deductions (see instructions). Type ▶ 12d		
Credits	13 a Low-income housing credit (section 42(j)(5)) 13a	
	b Low-income housing credit (other) 13b	
	c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468, if applicable) 13c	
	d Other rental real estate credits (see instructions) Type ▶ 13d	
	e Other rental credits (see instructions). Type ▶ 13e	
	f Biofuel producer credit (attach Form 6478) 13f	
	g Other credits (see instructions). Type ▶ 13g	
Foreign Transactions	14 a Name of country or U.S. possession ▶ 14a	
	b Gross income from all sources 14b	
	c Gross income sourced at shareholder level 14c	
	Foreign gross income sourced at corporate level	
	d Reserved for future use 14d	
	e Foreign branch category. 14e	
	f Passive category. 14f	
	g General category 14g	
	h Other (attach statement). 14h	
	Deductions allocated and apportioned at shareholder level	
	i Interest expense. 14i	
	j Other 14j	
	Deductions allocated and apportioned at corporate level to foreign source income	
	k Reserved for future use 14k	
	l Foreign branch category. 14l	
	m Passive category 14m	
	n General category 14n	
	o Other (attach statement). 14o	
Other information		
p Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued ▶ 14p		
q Reduction in taxes available for credit (attach statement) 14q		
r Other foreign tax information (attach statement)		

TEXAS ENERGY OPTIONS INC

Form 1120-S (2020)

Page **4**

Schedule K Shareholders' Pro Rata Share Items (continued)		Total amount	
Alternative Minimum Tax (AMT) Items	15 a Post-1986 depreciation adjustment	15a	
	b Adjusted gain or loss	15b	
	c Depletion (other than oil and gas)	15c	
	d Oil, gas, and geothermal properties - gross income	15d	
	e Oil, gas, and geothermal properties - deductions	15e	
	f Other AMT items (attach statement)	15f	
Items Affecting Shareholder Basis	16 a Tax-exempt interest income	16a	
	b Other tax-exempt income	16b	
	c Nondeductible expenses STMT 3.	16c	10,322.
	d Distributions (attach statement if required) (see instructions) STMT 3.	16d	259,795.
	e Repayment of loans from shareholders	16e	
Other Information	17 a Investment income	17a	23.
	b Investment expenses	17b	
	c Dividend distributions paid from accumulated earnings and profits	17c	
	d Other items and amounts (attach statement) STMT 3		
Reconciliation	18 Income (loss) reconciliation. Combine the amounts on lines 1 through 10 in the far right column. From the result, subtract the sum of the amounts on lines 11 through 12d and 14p . . .	18	343,851.

Schedule L Balance Sheets per Books		Beginning of tax year		End of tax year	
Assets		(a)	(b)	(c)	(d)
1	Cash		58,022.		116,984.
2a	Trade notes and accounts receivable . .				
b	Less allowance for bad debts . .	()		()	
3	Inventories				
4	U.S. government obligations . .				
5	Tax-exempt securities (see instructions) .				
6	Other current assets (attach statement) .				
7	Loans to shareholders				
8	Mortgage and real estate loans . .				
9	Other investments (attach statement)				
10a	Buildings and other depreciable assets .	1,990.		1,990.	
b	Less accumulated depreciation . .	(1,990.)		(1,990.)	
11a	Depletable assets				
b	Less accumulated depletion . .	()		()	
12	Land (net of any amortization) . .				
13a	Intangible assets (amortizable only)	325.		325.	
b	Less accumulated amortization . .	(325.)		(325.)	
14	Other assets (attach statement) . .				
15	Total assets		58,022.		116,984.
Liabilities and Shareholders' Equity					
16	Accounts payable				
17	Mortgages, notes, bonds payable in less than 1 year				
18	Other current liabilities (attach statement)	STMT 4	51,998.		37,227.
19	Loans from shareholders				
20	Mortgages, notes, bonds payable in 1 year or more				
21	Other liabilities (attach statement) . .				
22	Capital stock		1,000.		1,000.
23	Additional paid-in capital		3,435.		3,435.
24	Retained earnings		1,589.		75,322.
25	Adjustments to shareholders' equity (attach statement)				
26	Less cost of treasury stock	()		()	
27	Total liabilities and shareholders' equity.		58,022.		116,984.

Form **1120-S** (2020)

Schedule M-1**Reconciliation of Income (Loss) per Books With Income (Loss) per Return****Note:** The corporation may be required to file Schedule M-3. See instructions.

1 Net income (loss) per books	333,529.	5 Income recorded on books this year not included on Schedule K, lines 1 through 10 (itemize):	
2 Income included on Schedule K, lines 1, 2, 3c, 4, 5a, 6, 7, 8a, 9, and 10, not recorded on books this year (itemize) _____		a Tax-exempt interest \$ _____	
3 Expenses recorded on books this year not included on Schedule K, lines 1 through 12 and 14p (itemize):		6 Deductions included on Schedule K, lines 1 through 12 and 14p, not charged against book income this year (itemize):	
a Depreciation \$ _____		a Depreciation \$ _____	
b Travel and entertainment \$ _____	6,184.	7 Add lines 5 and 6	
SEE STATEMENT 5	4,138.	8 Income (loss) (Schedule K, line 18).	
4 Add lines 1 through 3	343,851.	Subtract line 7 from line 4	343,851.

Schedule M-2**Analysis of Accumulated Adjustments Account, Shareholders' Undistributed Taxable Income Previously Taxed, Accumulated Earnings and Profits, and Other Adjustments Account**
(see instructions)

	(a) Accumulated adjustments account	(b) Shareholders' undistributed taxable income previously taxed	(c) Accumulated earnings and profits	(d) Other adjustments account
1 Balance at beginning of tax year	1,589.			
2 Ordinary income from page 1, line 21	344,563.			
3 Other additions . SEE. STATEMENT. 5.	23.			
4 Loss from page 1, line 21	()			
5 Other reductions . SEE. STATEMENT. 5.	(11,058.)			()
6 Combine lines 1 through 5	335,117.			
7 Distributions	259,795.			
8 Balance at end of tax year. Subtract line 7 from line 6	75,322.			

Compensation of Officers

OMB No. 1545-0123

▶ Attach to Form 1120, 1120-C, 1120-F, 1120-REIT, 1120-RIC, or 1120S.

► Information about Form 1125-E and its separate instructions is at www.irs.gov/form1125e.

Name _____

Employer identification number	
--------------------------------	--

TEXAS ENERGY OPTIONS INC

Note: Complete Form 1125-E only if total receipts are \$500,000 or more. See instructions for definition of total receipts.

(a) Name of officer	(b) Social security number (see instructions)	(c) Percent of time devoted to business	Percent of stock owned		(f) Amount of compensation
			(d) Common	(e) Preferred	
1 JAY REEVES FERRY		100.000 %	100.000 %	%	86,878.
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
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		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
2 Total compensation of officers					2 86,878.
3 Compensation of officers claimed on Form 1125-A or elsewhere on return					3
4 Subtract line 3 from line 2. Enter the result here and on Form 1120, page 1, line 12 or the appropriate line of your tax return					4 86,878.

For Paperwork Reduction Act Notice, see separate instructions.

Form **1125-E** (Rev. 10-2016)

**Application for Automatic Extension of Time To File Certain
Business Income Tax, Information, and Other Returns**

OMB No. 1545-0233

► File a separate application for each return.

► Go to www.irs.gov/Form7004 for instructions and the latest information.

**Print
or
Type**

Name

TEXAS ENERGY OPTIONS INC

Identifying number

Number, street, and room or suite no. (If P.O. box, see instructions.)

3350 HIGHWAY 6 SOUTH SUITE 404

City, town, state, and ZIP code (If a foreign address, enter city, province or state, and country (follow the country's practice for entering postal code).)

SUGAR LAND, TX 77478

Note: File request for extension by the due date of the return. See instructions before completing this form.

Part I Automatic Extension for Certain Business Income Tax, Information, and Other Returns. See instructions.

1 Enter the form code for the return listed below that this application is for 2 5

Application Is For:	Form Code	Application Is For:	Form Code
Form 706-GS(D)	01	Form 1120-ND (section 4951 taxes)	20
Form 706-GS(T)	02	Form 1120-PC	21
Form 1041 (bankruptcy estate only)	03	Form 1120-POL	22
Form 1041 (estate other than a bankruptcy estate)	04	Form 1120-REIT	23
Form 1041 (trust)	05	Form 1120-RIC	24
Form 1041-N	06	Form 1120S	25
Form 1041-QFT	07	Form 1120-SF	26
Form 1042	08	Form 3520-A	27
Form 1065	09	Form 8612	28
Form 1066	11	Form 8613	29
Form 1120	12	Form 8725	30
Form 1120-C	34	Form 8804	31
Form 1120-F	15	Form 8831	32
Form 1120-FSC	16	Form 8876	33
Form 1120-H	17	Form 8924	35
Form 1120-L	18	Form 8928	36
Form 1120-ND	19		

Part II All Filers Must Complete This Part

- 2 If the organization is a foreign corporation that does not have an office or place of business in the United States, check here ☐
- 3 If the organization is a corporation and is the common parent of a group that intends to file a consolidated return, check here ☐
If checked, attach a statement listing the name, address, and employer identification number (EIN) for each member covered by this application.
- 4 If the organization is a corporation or partnership that qualifies under Regulations section 1.6081-5, check here . . ☐
- 5a The application is for calendar year 20 20 , or tax year beginning _____, 20 ____ , and ending _____, 20 ____
- b **Short tax year.** If this tax year is less than 12 months, check the reason: ☐ Initial return ☐ Final return
☐ Change in accounting period ☐ Consolidated return to be filed ☐ Other (See instructions - attach explanation)

6	Tentative total tax	6	NONE
7	Total payments and credits. See instructions	7	NONE
8	Balance due. Subtract line 7 from line 6. See instructions	8	NONE

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.

Form **7004** (Rev. 12-2018)

2020 Depreciation

[illegible]

*Assets Retired

2020 Depreciation

[illegible]

*Assets Retired

94-3417647

TEXAS ENERGY OPTIONS INC

FORM 1120S, PAGE 1 DETAIL

LINE 19 - SUMMARY OF TRAVEL AND MEALS

AMOUNTS SUBJECT TO 50% LIMITATION

GROSS MEALS	10,967.
LESS 50% LIMITATION (TO SCH M-1 & M-2)	5,484.
NET MEALS TO OTHER DEDUCTIONS	5,483.

TOTAL LINE 19 - TRAVEL AND MEALS	5,483.
----------------------------------	--------

LINE 19 - OTHER DEDUCTIONS

TRAVEL AND MEALS	5,483.
INSURANCE - OTHER	1,004.
LEGAL AND ACCOUNTING	5,884.
DUES & SUBSCRIPTIONS	3,010.
STORAGE	10,278.
MISCELLANEOUS	726.
OFFICE EXPENSES	1,866.
OFFICE SUPPLIES	6,330.
POSTAGE	57.
UTILITIES	874.
TELEPHONE & FAX	11,833.
TRAVEL	229.
CONTRACT LABOR	19,900.
BANK FEES	60.
AUTOMOBILE EXPENSES	2,352.
BUSINESS LICENSE & FEES	7,812.

TOTAL	77,698.
-------	---------

FORM 1120S, PAGE 3 DETAIL
=====

SCH K, LINE 4 - INTEREST INCOME

INTEREST INCOME	23.

TOTAL	23.
	=====

SCH K, LINE 12A - CONTRIBUTIONS

CONTRIBUTIONS SUBJECT TO 60% LIMITATION	

CHARITABLE CONTRIBUTIONS	735.

SUBTOTAL	735.

TOTAL	735.
	=====

FORM 1120S, PAGE 4 DETAIL - SCH K

SCH K, LINE 16C - NONDEDUCTIBLE EXPENSES

50% DISALLOWED MEALS	5,484.
100% DISALLOWED ENTERTAINMENT	700.
NONDEDUCTIBLE OFFICER LIFE INSURANCE	4,138.

TOTAL	10,322.
	=====

SCH K, LINE 16D - DISTRIBUTION SUMMARY

CASH DISTRIBUTION	
	259,795.

TOTAL DISTRIBUTIONS	259,795.
	=====

SCH K, LINE 17D - OTHER ITEMS AND AMOUNTS

SECTION 199A - GENERAL TRADE OR BUSINESS NOT SSTB	
ORDINARY INCOME (LOSS)	344,563.
199A W-2 WAGES	103,678.
199A UBI OF QUALIFIED PROPERTY	1,990.

FORM 1120S, PAGE 4 DETAIL - SCH L

=====

	BEGINNING	ENDING
	-----	-----
LINE 18 - OTHER CURRENT LIABILITIES		

PAYROLL LIABILITIES	25,098.	20,343.
ACCRUED SEP CONTRIBUTION	26,900.	16,884.
	-----	-----
TOTAL	51,998.	37,227.
	=====	=====

FORM 1120S, PAGE 5 DETAIL
=====

SCH M-1, LINE 3B - NONDEDUCTIBLE MEALS & ENTERTAINMENT SUMMARY

GROSS MEALS SUBJECT TO LIMITATION	10,967.
50% DISALLOWED MEAL	5,484.
100% DISALLOWED ENTERTAINMENT	700.

TOTAL	6,184.
	=====

SCH M-1, LINE 3 - EXPENSES ON BOOKS NOT IN RETURN

NONDEDUCTIBLE OFFICER LIFE INSURANCE	4,138.

TOTAL	4,138.
	=====

SCH M-2, LINE 3 - OTHER ADDITIONS - AAA

PORTFOLIO INTEREST INCOME	23.

TOTAL	23.
	=====

SCH M-2, LINE 5 - OTHER REDUCTIONS - AAA

CHARITABLE CONTRIBUTIONS	735.
NONDEDUCTIBLE OFFICER LIFE INSURANCE	4,138.
50% DISALLOWED MEALS	5,484.
100% DISALLOWED ENTERTAINMENT	700.
ROUNDING	1.

TOTAL	11,058.
	=====

TEXAS ENERGY OPTIONS INC

SHAREHOLDER SUMMARY

=====

SH. #	SHAREHOLDER NAME	OWNERSHIP	
		BEGINNING SHARES	PERCENTAGE
-----	-----	-----	-----
1	JAY R FERRY	1000.0000	100.000000000000

Schedule K-1
(Form 1120-S)

Department of the Treasury
Internal Revenue Service

2020

For calendar year 2020, or tax year

beginning ending

Shareholder's Share of Income, Deductions, Credits, etc.

► See separate instructions.

Part I Information About the Corporation

A Corporation's employer identification number

B Corporation's name, address, city, state, and ZIP code

TEXAS ENERGY OPTIONS INC
3350 HIGHWAY 6 SOUTH SUITE 404
SUGAR LAND, TX 77478

C IRS Center where corporation filed return

EFILE

Part II Information About the Shareholder

D Shareholder's identifying number

E Shareholder's name, address, city, state, and ZIP code

JAY R FERRY

3330 NORTH BRIARPARK LANE
SUGAR LAND, TX 77479

F Current year allocation percentage 100.000000000000 %

G Shareholder's number of shares

Beginning of tax year 1000.000000

End of tax year 1000.000000

H Loans from shareholder

Beginning of tax year \$

End of tax year \$

For IRS Use Only

☐ Final K-1

☐ Amended K-1

671120
OMB No. 1545-0123

Part III Shareholder's Share of Current Year Income, Deductions, Credits, and Other Items

1	Ordinary business income (loss)	13	Credits
	344,563.		
2	Net rental real estate income (loss)		
3	Other net rental income (loss)		
4	Interest income		
*	23.		
5a	Ordinary dividends		
5b	Qualified dividends	14	Foreign transactions
6	Royalties		
7	Net short-term capital gain (loss)		
8a	Net long-term capital gain (loss)		
8b	Collectibles (28%) gain (loss)		
8c	Unrecaptured section 1250 gain		
9	Net section 1231 gain (loss)		
10	Other income (loss)	15	Alternative minimum tax (AMT) items
11	Section 179 deduction	16	Items affecting shareholder basis
		C*	10,322.
12	Other deductions		
A*	735.	D	259,795.
		17	Other information
		A	23.
		V*	STMT
		AC*	STMT
18	More than one activity for at-risk purposes*		
19	More than one activity for passive activity purposes*		

* See attached statement for additional information.

FORM 1120S, SCHEDULE K-1, S/H #1 JAY R FERRY

SCH K-1, LINE 4 - INTEREST INCOME

INTEREST INCOME

23.

TOTAL

23.

SCH K-1, LINE 12 - OTHER DEDUCTIONS

CODE A - CASH CONTRIBUTIONS (60%)

CHARITABLE CONTRIBUTIONS

735.

TOTAL

735.

SCH K-1, LINE 16 - ITEMS AFFECTING SHAREHOLDER BASIS

CODE C - NONDEDUCTIBLE EXPENSES

50% DISALLOWED MEALS

5,484.

100% ENTERTAINMENT

700.

NONDEDUCTIBLE OFFICER LIFE INSURANCE

4,138.

TOTAL

10,322.

SCH K-1, LINE 16D - CASH DISTRIBUTIONS

TOTAL CASH DISTRIBUTIONS

259,795.

SCH K-1, LINE 17 - OTHER INFORMATION

CODE AC - GROSS RECEIPTS FOR SECTION 448(C)

THE ENTITY WAS NOT SUBJECT TO 163(J)

FORM 1120S, SCHEDULE K-1, S/H #1 JAY R FERRY
=====

SCH K-1, LINE 17 - OTHER INFORMATION (CONT'D)

GROSS RECEIPTS (PRIOR YEAR(S) AVERAGE) 571,084.

ADJUSTED TAXABLE INCOME 343,851.

Statement A - QBI Pass-through Entity Reporting

Corporation's/Partnership's name: TEXAS ENERGY OPTIONS INC				Corporation's/Partnership's EIN:			
Shareholder's/Partner's name: JAY R FERRY		Shareholder's/Partner's identifying number:					
Shareholder's/Partner's share of:		TEXAS ENERGY OP					
		EIN:	EIN:	EIN:	EIN:	EIN:	EIN:
		<input type="checkbox"/> PTP	<input type="checkbox"/> PTP	<input type="checkbox"/> PTP	<input type="checkbox"/> PTP	<input type="checkbox"/> PTP	<input type="checkbox"/> PTP
		<input type="checkbox"/> Aggregated	<input type="checkbox"/> Aggregated	<input type="checkbox"/> Aggregated	<input type="checkbox"/> Aggregated	<input type="checkbox"/> Aggregated	<input type="checkbox"/> Aggregated
		<input type="checkbox"/> SSTB	<input type="checkbox"/> SSTB	<input type="checkbox"/> SSTB	<input type="checkbox"/> SSTB	<input type="checkbox"/> SSTB	<input type="checkbox"/> SSTB
QBI or qualified PTP items. subject to shareholder/partner- specific determinations:							
	Ordinary business income (loss)	342392					
	Rental income (loss)						
	Royalty income (loss)						
	Section 1231 gain (loss).						
	Other income (loss)						
	Section 179 deduction						
	Other deductions						
W-2 wages		103678					
UBIA of qualified property		1990					
Section 199A dividends							

Worksheet for Figuring a Shareholder's Stock and Debt Basis**Part I - Shareholder Stock Basis**

1.	Stock basis at the beginning of the corporation's tax year	1.	<u>188,784</u>
2.	Basis from any capital contributions made or additional stock acquired during the tax year.	2.	<u> </u>
3a.	Ordinary business income (enter losses in Part III).	3a.	<u>344,563</u>
b.	Net rental real estate income (enter losses in Part III)	3b.	<u> </u>
c.	Other net rental income (enter losses in Part III).	3c.	<u> </u>
d.	Interest income	3d.	<u>23</u>
e.	Ordinary dividends	3e.	<u> </u>
f.	Royalties.	3f.	<u> </u>
g.	Net capital gains (enter losses in Part III).	3g.	<u> </u>
h.	Net section 1231 gain (enter losses in Part III)	3h.	<u> </u>
i.	Other income (enter losses in Part III)	3i.	<u> </u>
j.	Excess depletion adjustment	3j.	<u> </u>
k.	Tax-exempt income	3k.	<u> </u>
l.	Recapture of business credits	3l.	<u> </u>
m.	Other items that increase stock basis	3m.	<u> </u>
4.	Add lines 3a through 3m	4.	<u>344,586</u>
5.	Stock basis before distributions. Add lines 1, 2, and 4	5.	<u>533,370</u>
6.	Distributions (excluding dividend distributions)	6.	<u>259,795</u>
	Note. If line 6 is larger than line 5, subtract line 5 from line 6 and report the result as a capital gain on Form 8949 and Schedule D. See instructions.		
7.	Stock basis after distributions. Subtract line 6 from line 5. If the result is zero or less, enter -0-, skip lines 8 through 14, and enter -0- on line 15.	7.	<u>273,575</u>
8a.	Nondeductible expenses	8a.	<u>10,322</u>
b.	Depletion for oil and gas	8b.	<u> </u>
c.	Business credits (sections 50(c)(1) and (5))	8c.	<u> </u>
9.	Add lines 8a through 8c	9.	<u>10,322</u>
10.	Stock basis before loss and deduction items. Subtract line 9 from line 7. If the result is zero or less, enter -0-, skip lines 11 through 14, and enter -0- on line 15	10.	<u>263,253</u>
11.	Allowable loss and deduction items. Enter the amount from Part III, line 13, column (c)	11.	<u>735</u>
12.	Debt basis restoration (see net increase in instructions for Part II, line 8)	12.	<u> </u>
13.	Other items that decrease stock basis	13.	<u> </u>
14.	Add lines 11, 12, and 13	14.	<u>735</u>
15.	Stock basis at the end of the corporation's tax year. Subtract line 14 from line 10. If the result is zero or less, enter -0-	15.	<u>262,518</u>

Part III. Shareholder Allowable Loss and Deduction Items

The corporate losses and other deduction items are limited to the sum of your stock and debt basis. When stock and debt basis is insufficient, and there is more than one type of loss or deduction item that reduces basis, the amounts allowed as a loss or deduction are allocated on a pro rata basis. See Regulations sections 1.1366-2(a)(4) and (5).

Loss and deductions in excess of basis are suspended and carried forward indefinitely and the character of the loss and deduction items is retained.

Part III shows the pro rata allocation and tracks any loss or deduction carryforward.

Column (a). Enter the loss and deduction amounts for each item as reported on your Schedule K-1.

Column (b). Enter any loss or deduction items disallowed due to

basis limitations in prior years that were carried forward.

Column (c). If Part I, line 10, is zero, skip column (c).

If stock basis, as reported on Part I, line 10, is greater than the sum of column (a) and column (b), line 13, enter the sum of each line for column (a) plus column (b) in column (c). If stock basis, as reported on Part I, line 10, is less than the sum of column (a) and column (b), line 13, enter the pro rata amount on the corresponding line in column (c). The total allocation amount reported in column (c), line 13, can't exceed the amount reported on Part I, line 10.

Column (d). If Part II, line 14, is zero, skip column (d).

If column (c), line 13, is less than Part I, line 10, skip column (d).

If debt basis, as reported on Part II, line 14, is greater than column (a) plus

column (b) minus column (c), line 13, enter column (a) plus column (b) minus column (c), in column (d) for each line item. If debt basis, as reported on Part II, line 14, is less than column (a) plus column (b) minus column (c), line 13, enter the pro rata amount on the corresponding line in column (d). The total allocation amount reported in column (d), line 13, can't exceed the amount reported on Part II, line 14.

The allowable losses and deductions from columns (c) and (d) should be reported on the appropriate areas of your return (subject to any additional limitations).

Column (e). If the sum of column (a) plus column (b) exceeds the sum of column (c) plus column (d), enter the excess in column (e) for each line item. If you disposed of all your stock, see Regulations section 1.1366-2(a)(6).

Part III - Shareholder Allowable Loss and Deduction Items

Description		(a) Current year losses and deductions	(b) Carryover amounts (column (e)) from the previous year	(c) Allowable loss from stock basis	(d) Allowable loss from debt basis	(e) Carryover amounts
1.	Ordinary business loss					
2.	Net rental real estate loss					
3.	Other net rental loss					
4.	Net capital loss.					
5.	Net section 1231 loss					
6.	Other loss					
7.	Section 179 deductions					
8.	Charitable contributions	735.		735.		
9.	Investment interest expense					
10.	Section 59(e)(2) expenditures.					
11.	Other deductions.					
12.	Foreign taxes paid or accrued.					
13.	Total loss. Combine lines 1 through 12 for each column. Enter the total loss in column (c) on line 11 of Part I and enter the total loss in column (d) on line 15 of Part II	735.		735.		

IRS e-file Signature Authorization for Form 1120-S

OMB No. 1545-0123

- ERO must obtain and retain completed Form 8879-S.
 ► Go to www.irs.gov/Form8879S for the latest information.

2019Department of the Treasury
Internal Revenue Service

For calendar year 2019, or tax year beginning

, 2019, and ending

, 20

Name of corporation

Employer identification number

TEXAS ENERGY OPTIONS INC**Part I Tax Return Information** (Whole dollars only)

1	Gross receipts or sales less returns and allowances (Form 1120-S, line 1c)	1	572,676.
2	Gross profit (Form 1120-S, line 3)	2	572,676.
3	Ordinary business income (loss) (Form 1120-S, line 21)	3	248,935.
4	Net rental real estate income (loss) (Form 1120-S, Schedule K, line 2)	4	
5	Income (loss) reconciliation (Form 1120-S, Schedule K, line 18)	5	247,551.

Part II Declaration and Signature Authorization of Officer (Be sure to get a copy of the corporation's return)

Under penalties of perjury, I declare that I am an officer of the above corporation and that I have examined a copy of the corporation's 2019 electronic income tax return and accompanying schedules and statements and to the best of my knowledge and belief, it is true, correct, and complete. I further declare that the amounts in Part I above are the amounts shown on the copy of the corporation's electronic income tax return. I consent to allow my electronic return originator (ERO), transmitter, or intermediate service provider to send the corporation's return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) the reason for any delay in processing the return or refund, and (c) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the corporation's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at **1-888-353-4537** no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the corporation's electronic income tax return and, if applicable, the corporation's consent to electronic funds withdrawal.

Officer's PIN: check one box only

☒ I authorize KENWOOD & ASSOCIATES, P C to enter my PIN 9 6 6 7 3 as my signature
ERO firm name
 on the corporation's 2019 electronically filed income tax return.
Don't enter all zeros

☐ As an officer of the corporation, I will enter my PIN as my signature on the corporation's 2019 electronically filed income tax return.

Officer's signature ►  Date ► 11/18/20 Title ► SHAREHOLDER

Part III Certification and Authentication

ERO's EFIN/PIN. Enter your six-digit EFIN followed by your five-digit self-selected PIN.

7	6	7	3	1	2	7	6	0	2	0
---	---	---	---	---	---	---	---	---	---	---

Don't enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2019 electronically filed income tax return for the corporation indicated above. I confirm that I am submitting this return in accordance with the requirements of Pub. 3112, IRS e-file Application and Participation, and Pub. 4163, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns.

ERO's signature ►  Date ► 11.15.20

ERO Must Retain This Form - See Instructions
Don't Submit This Form to the IRS Unless Requested To Do So

For Paperwork Reduction Act Notice, see instructions.

Form **8879-S** (2019)

Form **1120-S**Department of the Treasury
Internal Revenue Service**U.S. Income Tax Return for an S Corporation**Do not file this form unless the corporation has filed or
is attaching Form 2553 to elect to be an S corporation.Go to www.irs.gov/Form1120S for instructions and the latest information.

OMB No. 1545-0123

2019

For calendar year 2019 or tax year beginning

, 2019, ending

, 20

A S election effective date 01/01/2003	Name TEXAS ENERGY OPTIONS INC	D Employer identification number
B Business activity code number (see instructions) 541990	Number, street, and room or suite no. If a P.O. box, see instructions. 3350 HIGHWAY 6 SOUTH SUITE 404	E Date incorporated 11/27/2001
C Check if Sch. M-3 attached <input type="checkbox"/>	City or town, state or province, country, and ZIP or foreign postal code SUGAR LAND, TX 77478	F Total assets (see instructions) \$ 58,022.

G Is the corporation electing to be an S corporation beginning with this tax year? ☐ Yes ☒ No If "Yes," attach Form 2553 if not already filed**H** Check if: (1) ☐ Final return (2) ☐ Name change (3) ☐ Address change (4) ☐ Amended return (5) ☐ S election termination or revocation**I** Enter the number of shareholders who were shareholders during any part of the tax year 1**J** Check if corporation: (1) ☐ Aggregated activities for section 465 at-risk purposes (2) ☐ Grouped activities for section 469 passive activity purposes**Caution:** Include **only** trade or business income and expenses on lines 1a through 21. See the instructions for more information.

Income	1a Gross receipts or sales	1a	572,676.	
	b Returns and allowances	1b		
	c Balance. Subtract line 1b from line 1a			1c 572,676.
	2 Cost of goods sold (attach Form 1125-A)			2
	3 Gross profit. Subtract line 2 from line 1c			3 572,676.
	4 Net gain (loss) from Form 4797, line 17 (attach Form 4797)			4
Deductions (see instructions for limitations)	5 Other income (loss) (see instructions - attach statement)			5
	6 Total income (loss). Add lines 3 through 5			6 572,676.
	7 Compensation of officers (see instructions - attach Form 1125-E)			7 126,189.
	8 Salaries and wages (less employment credits)			8 12,000.
	9 Repairs and maintenance			9 455.
	10 Bad debts			10
	11 Rents			11 21,600.
	12 Taxes and licenses			12 10,257.
	13 Interest (see instructions)			13 8,058.
	14 Depreciation not claimed on Form 1125-A or elsewhere on return (attach Form 4562)			14
	15 Depletion (Do not deduct oil and gas depletion.)			15
	16 Advertising			16
	17 Pension, profit-sharing, etc., plans			17 26,900.
	18 Employee benefit programs			18
	19 Other deductions (attach statement)		SEE STATEMENT 1	19 118,282.
20 Total deductions. Add lines 7 through 19			20 323,741.	
21 Ordinary business income (loss). Subtract line 20 from line 6			21 248,935.	
Tax and Payments	22a Excess net passive income or LIFO recapture tax (see instructions)	22a		22c
	b Tax from Schedule D (Form 1120-S)	22b		
	c Add lines 22a and 22b (see instructions for additional taxes)			
	23a 2019 estimated tax payments and 2018 overpayment credited to 2019	23a		23e NONE
	b Tax deposited with Form 7004	23b	NONE	
	c Credit for federal tax paid on fuels (attach Form 4136)	23c		
	d Reserved for future use	23d		
	e Add lines 23a through 23d			
	24 Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/>			24
	25 Amount owed. If line 23e is smaller than the total of lines 22c and 24, enter amount owed			25
26 Overpayment. If line 23e is larger than the total of lines 22c and 24, enter amount overpaid			26 NONE	
27 Enter amount from line 26: Credited to 2020 estimated tax <input type="checkbox"/> NONE Refunded <input type="checkbox"/> NONE			27 NONE	

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer JAY FERRY Date 09/15/2020 Title PRESIDENTMay the IRS discuss this return with the preparer shown below? See instructions. ☒ Yes ☐ No**Paid Preparer Use Only**

Print/Type preparer's name KENNETH J WOOD	Preparer's signature 	Date 9/15/20	Check <input type="checkbox"/> if self-employed	PTIN P00000904
Firm's name KENWOOD & ASSOCIATES, P C			Firm's EIN 76-0200879	
Firm's address 14090 SOUTHWEST FRWY, STE 200				
Firm's address SUGAR LAND, TX 77478			Phone no. 281-243-2300	

For Paperwork Reduction Act Notice, see separate instructions.

Form **1120-S** (2019)

Schedule B Other Information (see instructions)

1	Check accounting method: a <input checked="" type="checkbox"/> Cash b <input type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) ▶ _____	Yes	No
2	See the instructions and enter the: a Business activity ▶ <u>MANAGING ACQUISITION</u> b Product or service ▶ <u>BID SERVICES-ENERGY</u>		
3	At any time during the tax year, was any shareholder of the corporation a disregarded entity, a trust, an estate, or a nominee or similar person? If "Yes," attach Schedule B-1, Information on Certain Shareholders of an S Corporation . . .		X
4	At the end of the tax year, did the corporation: a Own directly 20% or more, or own, directly or indirectly, 50% or more of the total stock issued and outstanding of any foreign or domestic corporation? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v) below		X

(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage of Stock Owned	(v) If Percentage in (iv) is 100%, Enter the Date (if any) a Qualified Subchapter S Subsidiary Election Was Made

b	Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v) below		X
----------	---	--	---

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Maximum Percentage Owned in Profit, Loss, or Capital

5a	At the end of the tax year, did the corporation have any outstanding shares of restricted stock? If "Yes," complete lines (i) and (ii) below. (i) Total shares of restricted stock ▶ _____ (ii) Total shares of non-restricted stock ▶ _____		X
b	At the end of the tax year, did the corporation have any outstanding stock options, warrants, or similar instruments? . . . If "Yes," complete lines (i) and (ii) below. (i) Total shares of stock outstanding at the end of the tax year ▶ _____ (ii) Total shares of stock outstanding if all instruments were executed ▶ _____		X
6	Has this corporation filed, or is it required to file, Form 8918 , Material Advisor Disclosure Statement, to provide information on any reportable transaction?		X
7	Check this box if the corporation issued publicly offered debt instruments with original issue discount ▶ <input type="checkbox"/> If checked, the corporation may have to file Form 8281 , Information Return for Publicly Offered Original Issue Discount Instruments.		
8	If the corporation (a) was a C corporation before it elected to be an S corporation or the corporation acquired an asset with a basis determined by reference to the basis of the asset (or the basis of any other property) in the hands of a C corporation and (b) has net unrealized built-in gain in excess of the net recognized built-in gain from prior years, enter the net unrealized built-in gain reduced by net recognized built-in gain from prior years. See instructions ▶ \$ _____		
9	Did the corporation have an election under section 163(j) for any real property trade or business or any farming business in effect during the tax year? See instructions		X
10	Does the corporation satisfy one or more of the following? See instructions a The corporation owns a pass-through entity with current, or prior year carryover, excess business interest expense. b The corporation's aggregate average annual gross receipts (determined under section 448(c)) for the 3 tax years preceding the current tax year are more than \$26 million and the corporation has business interest expense. c The corporation is a tax shelter and the corporation has business interest expense. If "Yes," complete and attach Form 8990.		X
11	Does the corporation satisfy both of the following conditions? a The corporation's total receipts (see instructions) for the tax year were less than \$250,000. b The corporation's total assets at the end of the tax year were less than \$250,000. If "Yes," the corporation is not required to complete Schedules L and M-1.		X

Schedule B Other Information (see instructions) <i>(continued)</i>		Yes	No
12	During the tax year, did the corporation have any non-shareholder debt that was canceled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt? If "Yes," enter the amount of principal reduction ▶ \$		X
13	During the tax year, was a qualified subchapter S subsidiary election terminated or revoked? If "Yes," see instructions		X
14 a	Did the corporation make any payments in 2019 that would require it to file Form(s) 1099?	X	
b	If "Yes," did the corporation file or will it file required Form(s) 1099?	X	
15	Is the corporation attaching Form 8996 to certify as a Qualified Opportunity Fund? If "Yes," enter the amount from Form 8996, line 14 ▶ \$		X

Schedule K Shareholders' Pro Rata Share Items		Total amount	
Income (Loss)	1 Ordinary business income (loss) (page 1, line 21)	1	248,935.
	2 Net rental real estate income (loss) (attach Form 8825)	2	
	3 a Other gross rental income (loss) 3a		
	b Expenses from other rental activities (attach statement) 3b		
	c Other net rental income (loss). Subtract line 3b from line 3a. 3c		
	4 Interest income STMT. 2. 4		2.
	5 Dividends: a Ordinary dividends 5a		
	b Qualified dividends 5b		
	6 Royalties 6		
	7 Net short-term capital gain (loss) (attach Schedule D (Form 1120-S)). 7		
Income (Loss)	8 a Net long-term capital gain (loss) (attach Schedule D (Form 1120-S)) 8a		
	b Collectibles (28%) gain (loss) 8b		
	c Unrecaptured section 1250 gain (attach statement). 8c		
	9 Net section 1231 gain (loss) (attach Form 4797) 9		
	10 Other income (loss) (see instructions). Type ▶ 10		
Deductions	11 Section 179 deduction (attach Form 4562). 11		
	12 a Charitable contributions STMT. 2. 12a		1,386.
	b Investment interest expense 12b		
	c Section 59(e)(2) expenditures (1) Type ▶ (2) Amount ▶ 12c(2)		
	d Other deductions (see instructions) Type ▶ 12d		
Credits	13 a Low-income housing credit (section 42(j)(5)) 13a		
	b Low-income housing credit (other) 13b		
	c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468, if applicable) 13c		
	d Other rental real estate credits (see instructions) Type ▶ 13d		
	e Other rental credits (see instructions). Type ▶ 13e		
	f Biofuel producer credit (attach Form 6478) 13f		
	g Other credits (see instructions). Type ▶ 13g		
Foreign Transactions	14 a Name of country or U.S. possession ▶ 14a		
	b Gross income from all sources 14b		
	c Gross income sourced at shareholder level 14c		
	Foreign gross income sourced at corporate level 14d		
	d Reserved for future use 14d		
	e Foreign branch category. 14e		
	f Passive category. 14f		
	g General category 14g		
	h Other (attach statement). 14h		
	Deductions allocated and apportioned at shareholder level 14i		
	i Interest expense. 14i		
	j Other 14j		
	Deductions allocated and apportioned at corporate level to foreign source income 14k		
	k Reserved for future use 14k		
	l Foreign branch category. 14l		
	m Passive category 14m		
	n General category 14n		
	o Other (attach statement). 14o		
Other information 14p			
p Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued ▶ 14p			
q Reduction in taxes available for credit (attach statement) 14q			
r Other foreign tax information (attach statement) 14r			

TEXAS ENERGY OPTIONS INC

Form 1120-S (2019)

Page **4**

Schedule K Shareholders' Pro Rata Share Items <i>(continued)</i>		Total amount	
Alternative Minimum Tax (AMT) Items	15a Post-1986 depreciation adjustment	15a	
	b Adjusted gain or loss	15b	
	c Depletion (other than oil and gas)	15c	
	d Oil, gas, and geothermal properties - gross income	15d	
	e Oil, gas, and geothermal properties - deductions	15e	
	f Other AMT items (attach statement)	15f	
Items Affecting Shareholder Basis	16a Tax-exempt interest income	16a	
	b Other tax-exempt income	16b	
	c Nondeductible expenses STMT. 3.	16c	11,763.
	d Distributions (attach statement if required) (see instructions) STMT. 3.	16d	240,062.
	e Repayment of loans from shareholders	16e	
Other Information	17a Investment income	17a	2.
	b Investment expenses	17b	
	c Dividend distributions paid from accumulated earnings and profits	17c	
	d Other items and amounts (attach statement) STMT 3		
Reconciliation	18 Income (loss) reconciliation. Combine the amounts on lines 1 through 10 in the far right column. From the result, subtract the sum of the amounts on lines 11 through 12d and 14p . . .	18	247,551.

Schedule L Balance Sheets per Books		Beginning of tax year		End of tax year	
Assets		(a)	(b)	(c)	(d)
1	Cash		35,113.		58,022.
2a	Trade notes and accounts receivable				
b	Less allowance for bad debts	()		()	
3	Inventories				
4	U.S. government obligations				
5	Tax-exempt securities (see instructions)				
6	Other current assets (attach statement)				
7	Loans to shareholders				
8	Mortgage and real estate loans				
9	Other investments (attach statement)				
10a	Buildings and other depreciable assets	1,990.		1,990.	
b	Less accumulated depreciation	(1,990.)		(1,990.)	
11a	Depletable assets				
b	Less accumulated depletion	()		()	
12	Land (net of any amortization)				
13a	Intangible assets (amortizable only)	325.		325.	
b	Less accumulated amortization	(325.)		(325.)	
14	Other assets (attach statement)				
15	Total assets		35,113.		58,022.
Liabilities and Shareholders' Equity					
16	Accounts payable				
17	Mortgages, notes, bonds payable in less than 1 year				
18	Other current liabilities (attach statement)	STMT 4	24,816.		51,998.
19	Loans from shareholders				
20	Mortgages, notes, bonds payable in 1 year or more				
21	Other liabilities (attach statement)				
22	Capital stock		1,000.		1,000.
23	Additional paid-in capital		3,435.		3,435.
24	Retained earnings		5,862.		1,589.
25	Adjustments to shareholders' equity (attach statement)				
26	Less cost of treasury stock	()		()	
27	Total liabilities and shareholders' equity.		35,113.		58,022.

Form **1120-S** (2019)

Schedule M-1**Reconciliation of Income (Loss) per Books With Income (Loss) per Return****Note:** The corporation may be required to file Schedule M-3. See instructions.

1 Net income (loss) per books	235,788.	5 Income recorded on books this year not included on Schedule K, lines 1 through 10 (itemize):	
2 Income included on Schedule K, lines 1, 2, 3c, 4, 5a, 6, 7, 8a, 9, and 10, not recorded on books this year (itemize) _____		a Tax-exempt interest \$ _____	
3 Expenses recorded on books this year not included on Schedule K, lines 1 through 12 and 14p (itemize):		6 Deductions included on Schedule K, lines 1 through 12 and 14p, not charged against book income this year (itemize):	
a Depreciation \$ _____		a Depreciation \$ _____	
b Travel and entertainment \$ _____	6,442.	7 Add lines 5 and 6	
SEE STATEMENT 5	5,321.	8 Income (loss) (Schedule K, line 18).	
4 Add lines 1 through 3	247,551.	Subtract line 7 from line 4	247,551.

Schedule M-2**Analysis of Accumulated Adjustments Account, Shareholders' Undistributed Taxable Income Previously Taxed, Accumulated Earnings and Profits, and Other Adjustments Account**
(see instructions)

	(a) Accumulated adjustments account	(b) Shareholders' undistributed taxable income previously taxed	(c) Accumulated earnings and profits	(d) Other adjustments account
1 Balance at beginning of tax year	5,862.			
2 Ordinary income from page 1, line 21	248,935.			
3 Other additions . SEE. STATEMENT. 5.	3.			
4 Loss from page 1, line 21	()			
5 Other reductions . SEE. STATEMENT. 5.	(13,149)			()
6 Combine lines 1 through 5	241,651.			
7 Distributions	240,062.			
8 Balance at end of tax year. Subtract line 7 from line 6	1,589.			

Compensation of Officers

OMB No. 1545-0123

▶ Attach to Form 1120, 1120-C, 1120-F, 1120-REIT, 1120-RIC, or 1120S.

► Information about Form 1125-E and its separate instructions is at www.irs.gov/form1125e.

Name _____

Employer identification number	
--------------------------------	--

TEXAS ENERGY OPTIONS INC

Note: Complete Form 1125-E only if total receipts are \$500,000 or more. See instructions for definition of total receipts.

(a) Name of officer	(b) Social security number (see instructions)	(c) Percent of time devoted to business	Percent of stock owned		(f) Amount of compensation
			(d) Common	(e) Preferred	
1					
JAY REEVES FERRY		100.000 %	100.000 %	%	126,189.
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
2 Total compensation of officers				2	126,189.
3 Compensation of officers claimed on Form 1125-A or elsewhere on return				3	
4 Subtract line 3 from line 2. Enter the result here and on Form 1120, page 1, line 12 or the appropriate line of your tax return				4	126,189

For Paperwork Reduction Act Notice, see separate instructions.

Form **1125-E** (Rev. 10-2016)

2019 Depreciation

[illegible]

*Assets Retired

2019 Depreciation

[illegible]

*Assets Retired

94-3417647

TEXAS ENERGY OPTIONS INC

FORM 1120S, PAGE 1 DETAIL

LINE 19 - SUMMARY OF TRAVEL AND MEALS

AMOUNTS SUBJECT TO 50% LIMITATION

GROSS MEALS	9,884.
LESS 50% LIMITATION (TO SCH M-1 & M-2)	6,442.

NET MEALS TO OTHER DEDUCTIONS	4,942.

TOTAL LINE 19 - TRAVEL AND MEALS	-----	4,942.
	=====	

LINE 19 - OTHER DEDUCTIONS

TRAVEL AND MEALS	4,942.
INSURANCE - OTHER	2,291.
LEGAL AND ACCOUNTING	4,150.
REFERRAL FEE	4,603.
DUES & SUBSCRIPTIONS	2,695.
STORAGE	6,574.
MISCELLANEOUS	1,058.
OFFICE EXPENSES	217.
OFFICE SUPPLIES	10,250.
EQUIPMENT LEASE	249.
POSTAGE	26.
UTILITIES	2,358.
TELEPHONE & FAX	7,024.
INTERNET	3,303.
MEETING EXPENSE	8,539.
TRAVEL	9,825.
CONTRACT LABOR	27,603.
COMPUTER LEASE	669.
BANK FEES	115.
TOLLS & PARKING	747.
AUTOMOBILE EXPENSES	6,147.
COMMISSIONS	14,897.

TOTAL	118,282.
	=====

FORM 1120S, PAGE 3 DETAIL
=====

SCH K, LINE 4 - INTEREST INCOME

INTEREST INCOME	2.

TOTAL	2.
	=====

SCH K, LINE 12A - CONTRIBUTIONS

CONTRIBUTIONS SUBJECT TO 60% LIMITATION	

CHARITABLE CONTRIBUTIONS	1,386.

SUBTOTAL	1,386.

TOTAL	1,386.
	=====

FORM 1120S, PAGE 4 DETAIL - SCH K

SCH K, LINE 16C - NONDEDUCTIBLE EXPENSES

50% DISALLOWED MEALS	6,442.
NONDEDUCTIBLE OFFICER LIFE INSURANCE	5,321.

TOTAL	11,763.
	=====

SCH K, LINE 16D - DISTRIBUTION SUMMARY

CASH DISTRIBUTION	
	240,062.

TOTAL DISTRIBUTIONS	240,062.
	=====

SCH K, LINE 17D - OTHER ITEMS AND AMOUNTS

SECTION 199A - GENERAL TRADE OR BUSINESS NOT SSTB	
ORDINARY INCOME (LOSS)	248,935.
199A CHARITABLE CONTRIBUTION	1,386.
199A W-2 WAGES	138,189.
199A UBI OF QUALIFIED PROPERTY	1,990.

FORM 1120S, PAGE 4 DETAIL - SCH L

=====

	BEGINNING	ENDING
	-----	-----
LINE 18 - OTHER CURRENT LIABILITIES		

PAYROLL LIABILITIES	6,816.	25,098.
ACCRUED SEP CONTRIBUTION	18,000.	26,900.
	-----	-----
TOTAL	24,816.	51,998.
	=====	=====

FORM 1120S, PAGE 5 DETAIL
=====

SCH M-1, LINE 3 - EXPENSES ON BOOKS NOT IN RETURN

NONDEDUCTIBLE OFFICER LIFE INSURANCE	5,321.

TOTAL	5,321.
	=====

SCH M-2, LINE 3 - OTHER ADDITIONS - AAA

PORTFOLIO INTEREST INCOME	2.
ROUNDING	1.

TOTAL	3.
	=====

SCH M-2, LINE 5 - OTHER REDUCTIONS - AAA

CHARITABLE CONTRIBUTIONS	1,386.
NONDEDUCTIBLE OFFICER LIFE INSURANCE	5,321.
50% DISALLOWED MEALS	6,442.

TOTAL	13,149.
	=====

TEXAS ENERGY OPTIONS INC

SHAREHOLDER SUMMARY

=====

SH. #	SHAREHOLDER NAME	OWNERSHIP	
		BEGINNING SHARES	PERCENTAGE
-----	-----	-----	-----
1	JAY R FERRY	1000.0000	100.000000000000

Schedule K-1
(Form 1120-S)

Department of the Treasury
Internal Revenue Service

2019

For calendar year 2019, or tax year

beginning ending

Shareholder's Share of Income, Deductions, Credits, etc.

► See back of form and separate instructions.

Part I Information About the Corporation

A Corporation's employer identification number

B Corporation's name, address, city, state, and ZIP code

TEXAS ENERGY OPTIONS INC
3350 HIGHWAY 6 SOUTH SUITE 404
SUGAR LAND, TX 77478

C IRS Center where corporation filed return

EFILE

Part II Information About the Shareholder

D Shareholder's identifying number

E Shareholder's name, address, city, state, and ZIP code

JAY R FERRY

3330 NORTH BRIARPARK LANE
SUGAR LAND, TX 77479

F Shareholder's percentage of stock ownership for tax year. 100.000000000000 %

☐ Final K-1 ☐ Amended K-1 OMB No. 1545-0123

Part III Shareholder's Share of Current Year Income, Deductions, Credits, and Other Items

1	Ordinary business income (loss)	13	Credits
	248,935.		
2	Net rental real estate income (loss)		
3	Other net rental income (loss)		
4	Interest income		
*	2.		
5a	Ordinary dividends		
5b	Qualified dividends	14	Foreign transactions
6	Royalties		
7	Net short-term capital gain (loss)		
8a	Net long-term capital gain (loss)		
8b	Collectibles (28%) gain (loss)		
8c	Unrecaptured section 1250 gain		
9	Net section 1231 gain (loss)		
10	Other income (loss)	15	Alternative minimum tax (AMT) items
11	Section 179 deduction	16	Items affecting shareholder basis
		C*	11,763.
12	Other deductions		
A*	1,386.	D	240,062.
		17	Other information
		A	2.
		V*	STMT
18	More than one activity for at-risk purposes*		
19	More than one activity for passive activity purposes*		

* See attached statement for additional information.

For IRS Use Only

FORM 1120S, SCHEDULE K-1, S/H #1 JAY R FERRY
=====

SCH K-1, LINE 4 - INTEREST INCOME

INTEREST INCOME	2.

TOTAL	2.
	=====

SCH K-1, LINE 12 - OTHER DEDUCTIONS

CODE A - CASH CONTRIBUTIONS (60%)	

CHARITABLE CONTRIBUTIONS	1,386.

TOTAL	1,386.
	=====

SCH K-1, LINE 16 - ITEMS AFFECTING SHAREHOLDER BASIS

CODE C - NONDEDUCTIBLE EXPENSES	

50% DISALLOWED MEALS	6,442.
NONDEDUCTIBLE OFFICER LIFE INSURANCE	5,321.

TOTAL	11,763.
	=====

SCH K, LINE 16D - CASH DISTRIBUTIONS

TOTAL CASH DISTRIBUTIONS	240,062.
--------------------------	----------

SECTION 163(J) - SUPPLEMENTAL INFORMATION

THE ENTITY WAS NOT SUBJECT TO 163(J)	
GROSS RECEIPTS (PRIOR YEAR(S) AVERAGE)	567,974.

FORM 1120S, SCHEDULE K-1, S/H #1 JAY R FERRY
=====

SECTION 163(J) - SUPPLEMENTAL INFORMATION (CONT'D)

ADJUSTED TAXABLE INCOME 255,609.

BUSINESS INTEREST EXPENSE 8,058.

Statement A - QBI Pass-through Entity Reporting

Corporation's/Partnership's name: TEXAS ENERGY OPTIONS INC				Corporation's/Partnership's EIN: 1					
Shareholder's/Partner's name: JAY R FERRY		Shareholder's/Partner's identifying number:							
Shareholder's/Partner's share of:		TEXAS ENERGY OP							
		EIN:		EIN:		EIN:		EIN:	
		<input type="checkbox"/> PTP		<input type="checkbox"/> PTP		<input type="checkbox"/> PTP		<input type="checkbox"/> PTP	
		<input type="checkbox"/> Aggregated		<input type="checkbox"/> Aggregated		<input type="checkbox"/> Aggregated		<input type="checkbox"/> Aggregated	
		<input type="checkbox"/> SSTB		<input type="checkbox"/> SSTB		<input type="checkbox"/> SSTB		<input type="checkbox"/> SSTB	
QBI or qualified PTP items. subject to shareholder/partner- specific determinations:									
	Ordinary business income (loss)	248935							
	Rental income (loss)								
	Royalty income (loss)								
	Section 1231 gain (loss).								
	Other income (loss)								
	Section 179 deduction								
	Charitable contributions	1386							
	Other deductions								
W-2 wages		138189							
UBIA of qualified property		1990							
Section 199A dividends									

Worksheet for Figuring a Shareholder's Stock and Debt Basis**Part I - Shareholder Stock Basis**

1.	Stock basis at the beginning of the corporation's tax year	1.	<u>193,058</u>
2.	Basis from any capital contributions made or additional stock acquired during the tax year.	2.	<u> </u>
3a.	Ordinary business income (losses go on Part III).	3a.	<u>248,935</u>
b.	Net rental real estate income (losses go on Part III)	3b.	<u> </u>
c.	Other net rental income (losses go on Part III)	3c.	<u> </u>
d.	Interest income	3d.	<u>2</u>
e.	Ordinary dividends	3e.	<u> </u>
f.	Royalties.	3f.	<u> </u>
g.	Net capital gains (losses go on Part III)	3g.	<u> </u>
h.	Net section 1231 gain (losses go on Part III).	3h.	<u> </u>
i.	Other income (losses go on Part III)	3i.	<u> </u>
j.	Excess depletion adjustment	3j.	<u> </u>
k.	Tax-exempt income	3k.	<u> </u>
l.	Recapture of business credits	3l.	<u> </u>
m.	Other items that increase stock basis	3m.	<u> </u>
4.	Add lines 3a through 3m	4.	<u>248,937</u>
5.	Stock basis before distributions. Add lines 1, 2, and 4	5.	<u>441,995</u>
6.	Distributions (excluding dividend distributions)	6.	<u>240,062</u>
Note. If line 6 is larger than line 5, subtract line 5 from line 6 and report the result as a capital gain on Form 8949 and Schedule D. See instructions.			
7.	Stock basis after distributions. Subtract line 6 from line 5. If the result is zero or less, enter -0-, skip lines 8 through 14, and enter -0- on line 15.	7.	<u>201,933</u>
8a.	Nondeductible expenses	8a.	<u>11,763</u>
b.	Depletion for oil and gas	8b.	<u> </u>
9.	Add lines 8a and 8b.	9.	<u>11,763</u>
10.	Stock basis before loss and deduction items. Subtract line 9 from line 7. If the result is zero or less, enter -0-, skip lines 11 through 14, and enter -0- on line 15	10.	<u>190,170</u>
11.	Allowable loss and deduction items. Enter the amount from Part III, line 13, column (c)	11.	<u>1,386</u>
12.	Debt basis restoration (see net increase in instructions for Part II, line 8)	12.	<u> </u>
13.	Other items that decrease stock basis	13.	<u> </u>
14.	Add lines 11, 12, and 13	14.	<u>1,386</u>
15.	Stock basis at the end of the corporation's tax year. Subtract line 14 from line 10. If the result is zero or less, enter -0-	15.	<u>188,784</u>

Part III. Allowable Loss and Deduction Items

The corporate losses and other deduction items are limited to the sum of your stock and debt basis. When stock and debt basis is insufficient, and there is more than one type of loss or deduction item that reduces basis, the amounts allowed as a loss or deduction are allocated on a pro rata basis. See Regulations sections 1.1366-2(a)(4) and (5).

Loss and deductions in excess of basis are suspended and carried forward indefinitely and the character of the loss and deduction items is retained.

Part III shows the pro rata allocation and tracks any loss or deduction carryforward.

Column (a). Enter the loss and deduction amounts for each item as reported on your Schedule K-1.

Column (b). Enter any loss or deduction items disallowed due to basis limitations in prior years that were carried forward.

Column (c). If Part I, line 10, is zero, skip column (c).

If stock basis, as reported on Part I, line 10, is greater than the sum of column (a) and column (b), line 13, enter the sum of each line for column (a) plus column (b) in column (c). If stock basis, as reported on Part I, line 10, is less than the sum of column (a) and column (b), line 13, enter the pro rata amount on the corresponding line in column (c). The total allocation amount reported in column (c), line 13, can't exceed the amount reported on Part I, line 10.

Column (d). If Part II, line 14, is zero, skip column (d).

If column (c), line 13, is less than Part I, line 10, skip column (d).

If debt basis, as reported on Part II, line 14, is greater than column (a) plus column (b) minus column (c), line 13, enter column (a) plus column (b) minus column (c), in column (d) for each line item. If debt basis, as reported on Part II, line 14, is less than column (a) plus column (b) minus column (c), line 13, enter the pro rata amount on the corresponding line in column (d). The total allocation amount reported in column (d), line 13, can't exceed the amount reported on Part II, line 14.

The allowable losses and deductions from columns (c) and (d) should be reported on the appropriate areas of your return (subject to any additional limitations).

Column (e). If the sum of column (a) plus (b) exceeds the sum of column (c) plus (d), enter the excess in column (e) for each line item. If you disposed of all your stock, see Regulations section 1.1366-2(a)(6).

Part III - Allowable Loss and Deduction Items

		(a) Current year losses and deductions	(b) Carryover amounts (column (e)) from the previous year	(c) Allowable loss from stock basis	(d) Allowable loss from debt basis	(e) Carryover amounts
1.	Ordinary business loss					
2.	Net rental real estate loss					
3.	Other net rental loss					
4.	Net capital loss.					
5.	Net section 1231 loss					
6.	Other loss					
7.	Section 179 deductions					
8.	Charitable contributions	1,386.		1,386.		
9.	Investment interest expense					
10.	Section 59(e)(2) expenditures.					
11.	Other deductions.					
12.	Foreign taxes paid or accrued.					
13.	Total Loss. Combine lines 1 through 12 for each column. Enter the total loss in column (c) on line 11 of Part I and enter the total loss in column (d) on line 15 of Part II	1,386.		1,386.		



DIS Case Number: 17-2113-EL-AGG

Section A: Application Information

A-1. Provider type:

☒ Power Broker ☐ Aggregator ☐ Retail Generation Provider ☐ Power Marketer

A-2. Applicant's legal name and contact information.

Legal Name: Texas Energy Options Inc

Phone: 2817974138 **Extension (if applicable):**

Website (if any):

Country: United States

Street: 3330 N Briarpark Lane

City: Sugar Land

Province/State: TX

Postal Code: 77479

A-3. Names and contact information under which the applicant will do business in Ohio

Provide the names and contact information the business entity will use for business in Ohio. This does not have to be an Ohio address and may be the same contact information given in A-2.

Name	Type	Address	Active?	Proof
TEXAS ENERGY OPTIONS, INC	Official Name	3330 N BRIARPARK LANE SUGAR LAND, TX 77479	Yes	File

A-4. Names under which the applicant does business in North America

Provide all business names the applicant uses in North America, including the names provided in A-2 and A-3.

Name	Type	Address	Active?	Proof
TEXAS ENERGY OPTIONS, INC	Official Name	3330 N BRIARPARK LANE SUGAR LAND, TX 77479	Yes	File

A-5. Contact person for regulatory matters



Public Utilities Commission

Jay Ferry
3330 N Briarpark Lane
Sugar Land, TX 77479
US
jay@txenergyoptions.com
2817974138

A-6. Contact person for PUCO Staff use in investigating consumer complaints

Jay Ferry
3330 N Briarpark Lane
Sugar Land, TX 77479
US
jay@txenergyoptions.com
2817974138

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

Phone: 2817974138	Extension (if applicable):	Country: United States
Fax:	Extension (if applicable):	Street: 3330 N BRIARPARK LANE
Email: jay@txenergyoptions.com		City: SUGAR LAND Province/State: TX
		Postal Code: 77479

A-8. Applicant's federal employer identification number

94-3417647

A-9. Applicant's form of ownership

Form of ownership: Corporation

A-10. Identify current or proposed service areas

Identify each service area in which the applicant is currently providing service or intends to provide service and identify each customer class that the applicant is currently serving or intends to serve.

Service area selection

AEP Ohio
FirstEnergy - Ohio Edison



Public Utilities Commission

FirstEnergy - Toledo Edison

Class of customer selection

Commercial

Industrial

Mercantile

A-11. Start date

Indicate the approximate start date the applicant began/will begin offering services: 01-01-2014

A-12. Principal officers, directors, and partners

Please provide all contacts that should be listed as an officer, director or partner.

Name	Email	Title	Address
Jay Ferry	jay@txenergyoptions.com	Pres	3330 N Briarpark Lane Sugar Land, TX 77479 US

A-13. Company history

Texas Energy Options, Inc., a consulting firm founded in 2001, helps clients manage their transition into open electric markets across the United States and maintain competitive operations in both regulated and deregulated power markets. TEO presently represents over 300 sites in 22 states including 8 deregulated markets, with over 3000 meters consuming over 50 Megawatts of demand on 1 Billion annual kW hours of consumption. The client base is diverse, from governmental to industrial, large commercial to residential. Clients are generally multi-year, maintaining TEO as their representative over the long term. TEO is a member in good standing with the Better Business Bureau.

A-14. Secretary of State

Secretary of State Link:

Section B: Applicant Managerial Capability and Experience

B-1. Jurisdiction of operations

List all jurisdictions in which the applicant or any affiliated interest of the applicant is certified, licensed, registered or otherwise authorized to provide retail natural gas service or retail/wholesale electric service as of the date of filing the application..

Jurisdiction of Operation: Broker in Maryland, Broker in Texas

B-2. Experience and plans

Describe the applicant's experience in providing the service(s) for which it is applying (e.g., number and type of customers served, utility service areas, amount of load, etc.). Include the 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 Sections 4928.10 and/or 4929.22 of the Ohio Revised Code.

Application Experience and Plan Description: Texas Energy Options, Inc., a consulting firm founded in 2001, helps clients manage their transition into open electric markets across the United States and maintain competitive operations in both regulated and deregulated power markets. TEO presently represents over 300 sites in 22 states including 8 deregulated markets, with over 3000 meters consuming over 50 Megawatts of demand on 1 Billion annual kW hours of consumption. The client base is diverse, from governmental to industrial, large commercial to residential. Clients are generally multi-year, maintaining TEO as their representative over the long term. TEO is a member in good standing with the Better Business Bureau.

B-3. Disclosure of liabilities and investigations

For the applicant, affiliate, predecessor of the applicant, or any principal officer of the applicant, describe all existing, pending or past rulings, judgments, findings, contingent liabilities, revocation of authority, regulatory investigations, judicial actions, or other formal or informal notices of violations, or any other matter related to competitive services in Ohio or equivalent services in another jurisdiction..

Liability and Investigations Disclosures: n/a

B-4. Disclosure of consumer protection violations

Has the applicant, affiliate, predecessor of the applicant, or any principal officer of the applicant been convicted or held liable for fraud or for violation of any consumer protection or antitrust laws within the past five years?

No



B-5. Disclosure of certification, denial, curtailment, suspension or revocation

Has the applicant, affiliate, or a predecessor of the applicant had any certification, license, or application to provide retail natural gas or retail/wholesale electric service denied, curtailed, suspended, revoked, or cancelled or been terminated or suspended from any of Ohio's Natural Gas or Electric Utility's Choice programs within the past two years?

No

Section C: Applicant Financial Capability and Experience

C-1. Financial reporting

Provide a current link to the most recent Form 10-K filed with the Securities and Exchange Commission (SEC) or upload the form. If the applicant does not have a Form 10-K, submit the parent company's Form 10-K. If neither the applicant nor its parent is required to file Form 10-K, state that the applicant is not required to make such filings with the SEC and provide an explanation as to why it is not required.

Does not apply

C-2. Financial statements

Provide copies of the applicant's two most recent years of audited financial statements, including a 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, provide audited or officer certified financial statements covering the life of the business. If the applicant does not have a balance sheet, income statement, and cash flow statement, the applicant may provide a copy of its two most recent years of tax returns with **social security numbers and bank account numbers redacted**.

If the applicant is unable to meet the requirement for two years of financial statements, the Staff reviewer may request additional financial information.



File(s) attached

C-3. Forecasted financial statements

Provide two years of forecasted income statements **based solely on the applicant's anticipated business activities in the state of Ohio.**

Include the following information with the forecast: a list of assumptions used to generate the forecast; a statement indicating that the forecast is based solely on Ohio business activities only; and the name, address, email address, and telephone number of the preparer of the forecast.

The forecast may be in one of two acceptable formats: 1) an annual format that includes the current year and the two years succeeding the current year; or 2) a monthly format showing 24 consecutive months following the month of filing this application broken down into two 12-month periods with totals for revenues, expenses, and projected net incomes for both periods. Please show revenues, expenses, and net income (revenues minus total expenses) that is expected to be earned and incurred in **business activities only in the state of Ohio** for those periods.

If the applicant is filing for both an electric certificate and a natural gas certificate, please provide a separate and distinct forecast for revenues and expenses representing Ohio electric business activities in the application for the electric certificate and another forecast representing Ohio natural gas business activities in the application for the natural gas certificate.

File(s) attached

C-4. Credit rating

Provide a credit opinion disclosing the applicant's credit rating as reported by at least one of the following ratings agencies: Moody's Investors Service, Standard & Poor's Financial Services, Fitch Ratings or the National Association of Insurance Commissioners. If the applicant does not have its own credit ratings, substitute the credit ratings of a parent or an affiliate organization and submit a statement signed by a principal officer of the applicant's parent or affiliate organization that guarantees the obligations of the applicant. If an applicant or its parent does not have such a credit rating, enter 'Not Rated'.

This does not apply

C-5. Credit report



Public Utilities Commission

Provide a copy of the applicant's credit report from Experian, Equifax, TransUnion, Dun and Bradstreet or a similar credit reporting organization. If the applicant is a newly formed entity with no credit report, then provide a personal credit report for the principal owner of the entity seeking certification. At a minimum, the credit report must show summary information and an overall credit score. **Bank/credit account numbers and highly sensitive identification information must be redacted.** If the applicant provides an acceptable credit rating(s) in response to C-4, then the applicant may select 'This does not apply' and provide a response in the box below stating that a credit rating(s) was provided in response to C-4.

File(s) attached

C-6. Bankruptcy information

Within the previous 24 months, have any of the following filed for reorganization, protection from creditors or any other form of bankruptcy?

- Applicant
- Parent company of the applicant
- Affiliate company that guarantees the financial obligations of the applicant
- Any owner or officer of the applicant

No

C-7. Merger information

Is the applicant currently involved in any dissolution, merger or acquisition activity, or otherwise participated in such activities within the previous 24 months?

No

C-8. Corporate structure

Provide a graphical depiction of the applicant's corporate structure. Do not provide an internal organizational chart. The graphical depiction should include all parent holding companies, subsidiaries and affiliates as well as a list of all affiliate and subsidiary companies that supply retail or wholesale electricity or natural gas to customers in North America. If the applicant is a stand-alone entity, then no graphical depiction is required, and the applicant may respond by stating that it is a stand-alone entity with no affiliate or subsidiary companies.

Stand-alone entity with no affiliate or subsidiary companies



Section D: Applicant Technical Capacity

D-1. Operations

Power brokers/aggregators: Include details of the applicant's business operations and plans for arranging and/or aggregating for the supply of electricity to retail customers.

Operations Description: Texas Energy Options, Inc., a consulting firm founded in 2001, helps clients manage their transition into open electric markets across the United States and maintain competitive operations in both regulated and deregulated power markets. TEO presently represents over 300 sites in 22 states including 8 deregulated markets, with over 3000 meters consuming over 50 Megawatts of demand on 1 Billion annual kW hours of consumption. The client base is diverse, from governmental to industrial, large commercial to residential. Clients are generally multi-year, maintaining TEO as their representative over the long term. TEO is a member in good standing with the Better Business Bureau.

D-2. Operations Expertise & Key Technical Personnel

Given the operational nature of the applicant's business, provide evidence of the applicant's experience and technical expertise in performing such operations. Include the names, titles, e-mail addresses, and background of key personnel involved in the operations of the applicant's business.

Operations Expertise & Personnel Description: Jay Ferry, President of Texas Energy Options, Inc., has over thirty-five years of experience in the energy market and provides all bid management for the company. Working from a background of and PhD in economics, Dr. Ferry is adept at pinpointing and solving the problems his clients face in choosing the source of and managing the use of their electricity and natural gas supply. Current work also includes client representation in large end user groups in New York, California, South Carolina and Iowa,



Public Utilities Commission

focusing on rate and associated cost recovery as it pertains to statewide legislation and rate development.

Application Attachments

UNITED STATES OF AMERICA
STATE OF OHIO
OFFICE OF THE SECRETARY OF STATE

I, Frank LaRose, do hereby certify that I am the duly elected, qualified and present acting Secretary of State for the State of Ohio, and as such have custody of the records of Ohio and Foreign business entities; that said records show TEXAS ENERGY OPTIONS, INC., a Texas corporation, having qualified to do business within the State of Ohio on October 3, 2017 under License No. 4079568 is currently in GOOD STANDING upon the records of this office.



Witness my hand and the seal of the Secretary of State at Columbus, Ohio this 17th day of September, A.D. 2021.

A handwritten signature in blue ink, appearing to read "Frank LaRose".

Ohio Secretary of State

Validation Number: 202126003742

Summary

Order Reference: michael.bohner@dandb.com | Report as of: 10-13-2021 | using Currency as USD

TEXAS ENERGY OPTIONS, INC

Tradestyle(s): -

ACTIVE SINGLE LOCATION

Address: 3330 N Briarpark Ln, Moved From: 3350 Highway 6 S Ste 404, Sugar Land, Tx, Sugar Land, TX, 77479, UNITED STATES

Phone: (281) 797-4138

D-U-N-S: 10-798-3392

In Portfolio: No

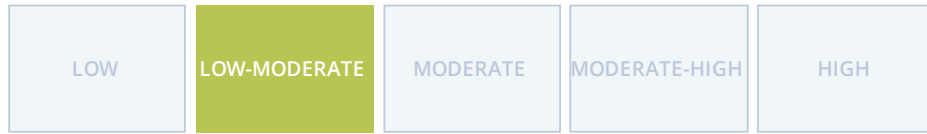
<p>Risk of Bad Debt Write-off</p> <p>93</p> <p>(No change since last month)</p>	<p>Cash Flow Risk</p> <p>76</p> <p>(No change since last month)</p>	<p>Age of Business</p> <p>19 years</p> <p>2001 Year Started</p>	<p>Employees</p> <p>1</p>
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Company Profile

<p>D-U-N-S</p> <p>10-798-3392</p> <p>Legal Form</p> <p>Corporation (US)</p> <p>History Record</p> <p>Incomplete</p> <p>Date Incorporated</p> <p>11-27-2001</p> <p>State of Incorporation</p> <p>Texas</p> <p>Ownership</p> <p>Not publicly traded</p>	<p>Mailing Address</p> <p>United States</p> <p>Telephone</p> <p>(281) 797-4138</p> <p>Present Control Succeeded</p> <p>2001</p>	<p>Annual Sales</p> <p>US\$ 500,000</p> <p>Employees</p> <p>1</p> <p>Age (Year Started)</p> <p>19 years (2001)</p> <p>Named Principal</p> <p>Jay Ferry, PRES</p> <p>Line of Business</p> <p>Business consulting services</p>
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Risk Assessment

Overall Business Risk



Maximum Credit Recommendation

US\$ 13,000

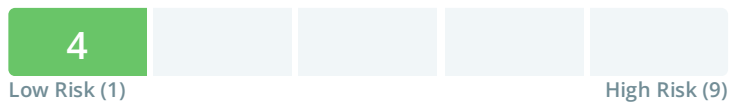
Dun & Bradstreet Thinks...

- Overall assessment of this organization over the next 12 months: **STABLE CONDITION**
- Based on the predicted risk of business discontinuation: **HIGH LIKELIHOOD OF CONTINUED OPERATIONS**
- Based on the predicted risk of severely delinquent payments: **LOW POTENTIAL FOR SEVERELY DELINQUENT PAYMENTS**

The recommended limit is based on a moderately low probability of severe delinquency.

D&B Viability Rating

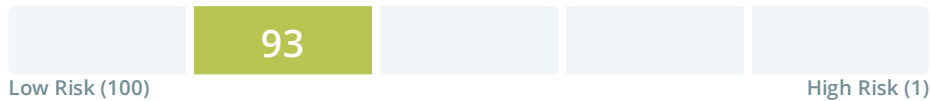
Portfolio Comparison Score



Company's risk level is: **LOW**

Probability that a company will go out of business, become dormant/inactive, or file for bankruptcy/insolvency within the next 12 months: **4.00 %**

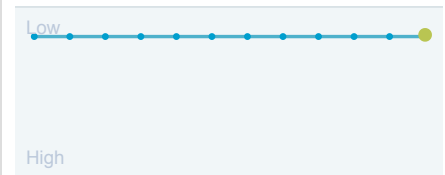
Risk of Bad Debt Write-off (also known as the Failure Score)



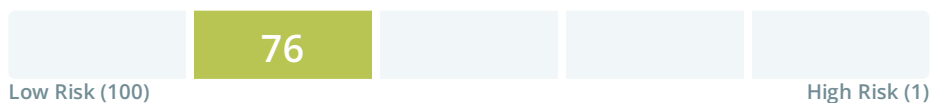
Company's risk level is: **LOW-MODERATE**

Based on the D&B Failure Score, the probability of failure for this company in the next 12 months is **0.06 %**, which makes it a **Low-Moderate** risk for you to incur a write-off.

Past 12 Months



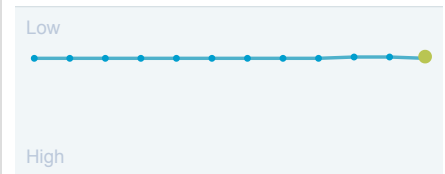
Cash Flow Risk (also known as the Delinquency Score)



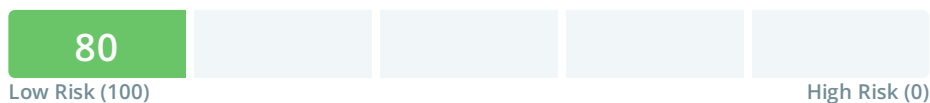
Company's risk level is: **LOW-MODERATE**

Based on the D&B Delinquency Score reporting a payment behavior of **CONSISTENT, TIMELY PAYMENTS**, this company is predicted to have a **Low-Moderate** risk of a negative impact to your cash flow.

Past 12 Months



Payment Behavior



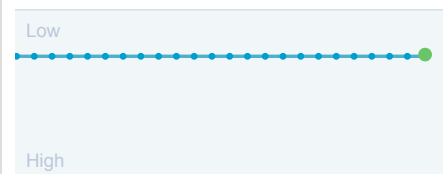
Company's risk level is: **LOW**

Pays On Time

Based on a D&B PAYDEX® of **80**

According to the D&B PAYDEX® Score, this company paid its vendors on time

Past 24 Months



D&B Rating

Current Rating as of 01-12-2016

Special Rating

-- : Undetermined

Legal Events

Events	Occurrences	Last Filed
Bankruptcies	0	-
Judgements	0	-
Liens	0	-
Suits	0	-
UCC	0	-

Trade Payments

Highest Past Due

US\$ 0

Highest Now Owing
US\$ 0

Total Trade Experiences
4

Largest High Credit
US\$ 10,000

Average High Credit
US\$ 4,183

Ownership

This company is a **Single Location**

Financial Overview

This company does not have a Financial Summary.

Country/Regional Insight

United States



Risk Category

LOW

Low Risk

MODERATE

HIGH

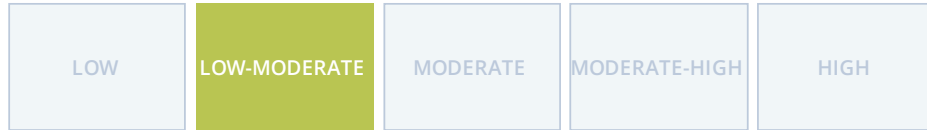
High Risk

Record-high natural gas prices and increasing volatility in the global energy market look set to push inflation higher.

Risk Assessment

D&B Guidance

Overall Business Risk



Maximum Credit Recommendation

US\$ 13,000

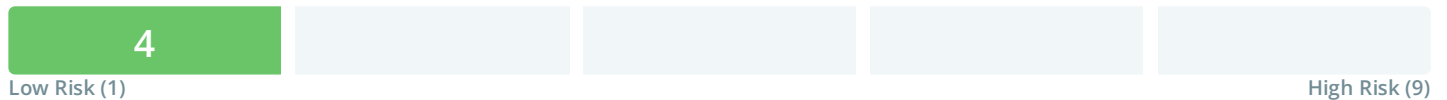
Dun & Bradstreet Thinks...

- Overall assessment of this organization over the next 12 months: **STABLE CONDITION**
- Based on the predicted risk of business discontinuation: **HIGH LIKELIHOOD OF CONTINUED OPERATIONS**
- Based on the predicted risk of severely delinquent payments: **LOW POTENTIAL FOR SEVERELY DELINQUENT PAYMENTS**

The recommended limit is based on a moderately low probability of severe delinquency.

D&B Viability Rating

Portfolio Comparison Score



Rating Confidence Level



Data Depth

- Rich Firmographics
- Extensive Commercial Trading Activity
- No Financial Attributes

Level of Risk

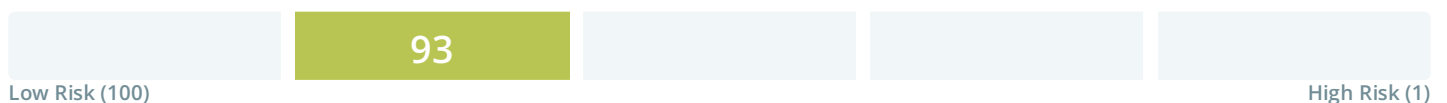
Low

Probability of becoming no longer viable
4.00%

Percentage of businesses ranked with this score
11.00%

Average probability of becoming no longer viable
5.00%

Risk Of Bad Debt Write-Off (Also Known As The Failure Score)



Based on a D&B Failure Score of 93

- Higher risk industry based on failure rates by industry
- Higher risk state based on failure rates by state

Level of Risk

Low-Moderate

Raw Score

1559

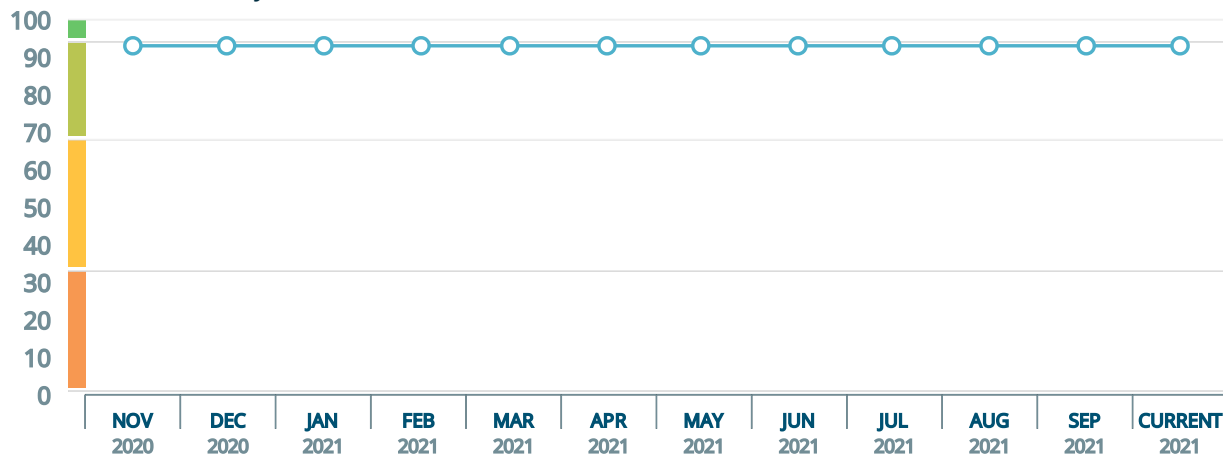
Probability of Failure

0.06%

Average Probability of Failure for
Businesses in D&B Database

0.48%

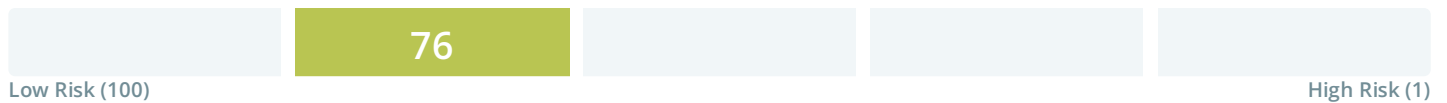
Business and Industry Trends



Failure Score



Cash Flow Risk (Also Known As The Delinquency Score)



Based on a D&B Delinquency Score of 76

- Limited number of satisfactory payment experiences
- Higher risk industry based on delinquency rates for this industry
- Higher risk region based on delinquency rates for this region
- Limited business activity signals reported in the past 12 months
- Decreasing trend in reported number of payment experiences

Level of Risk

Low-Moderate

Raw Score

540

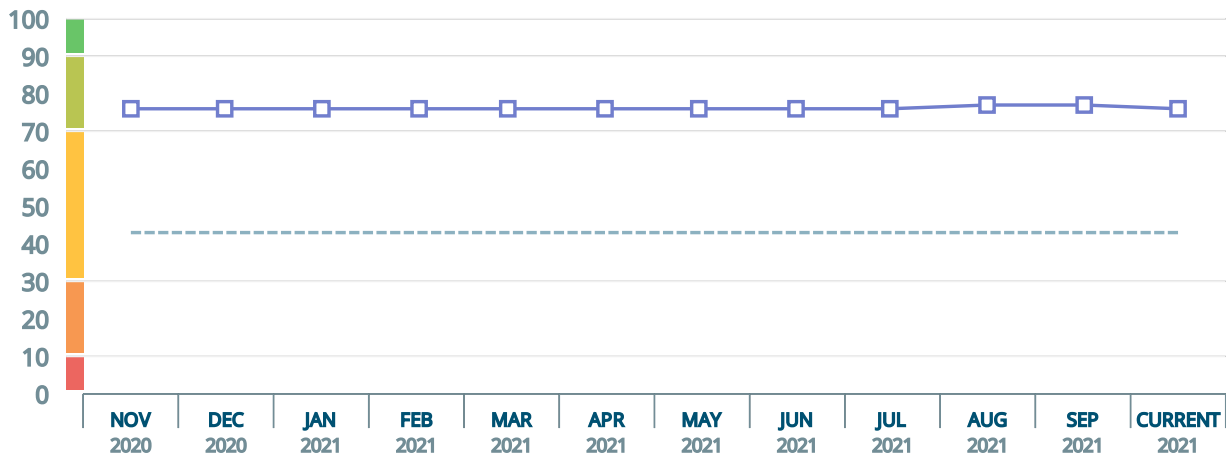
Probability of Delinquency

3.08%

Compared to Businesses in D&B
Database

10.20%

Business and Industry Trends



Delinquency Score



Industry Median ...



Payment Behavior

Based on 24 months of data

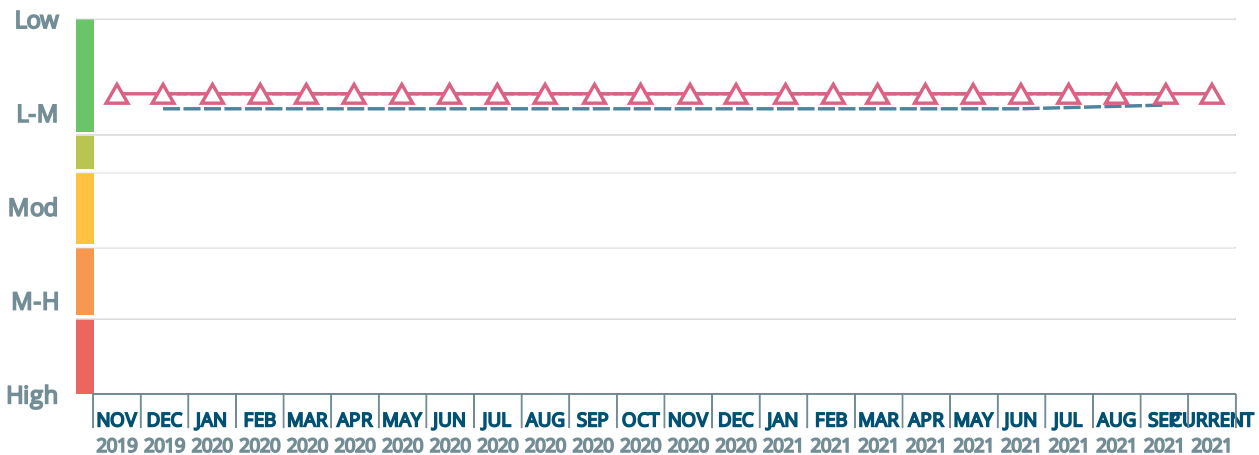


Risk of Slow Pay
Low

Payment Behavior
Pays on time:

Business and Industry Trends

8748 - Business consulting services



PAYDEX®



Industry Median ...



Industry Upper Q...



Industry Lower Q...



D&B Rating

Current Rating as of 01-12-2016

Special Rating

-- : Undetermined

Trade Payments

Trade Payments Summary (Based on 24 months of data)

Overall Payment Behavior

0

Days Beyond Terms

% of Trade Within Terms

100%

Highest Past Due

US\$ 0

Highest Now Owing:

US\$ 0

Total Trade Experiences:

4

Largest High Credit:

US\$ 10,000

Average High Credit:

US\$ 4,183

Total Unfavorable Comments:

0

Largest High Credit:

US\$ 0

Total Placed in Collections:

0

Largest High Credit:

US\$ 0

Trade Payments By Credit Extended (Based on 12 months of data)

Range of Credit Extended (US\$)	Number of Payment Experiences	Total Value	% Within Terms
100,000 & over	0	US\$ 0	0
50,000 - 99,999	0	US\$ 0	0
15,000 - 49,999	0	US\$ 0	0
5,000 - 14,999	1	US\$ 10,000	100
1,000 - 4,999	1	US\$ 2,500	100
Less than 1,000	1	US\$ 50	100

Trade Payments By Industry (Based on 24 months of data)

Industry Category	Number of Payment Experiences	Largest High Credit (US\$)	% Within Terms (Expand to View)	1 - 30 Days Late (%)	31 - 60 Days Late (%)	61 - 90 Days Late (%)	91 + Days Late (%)
▼ 91 - Executive Legislative and General Government except Finance	3	10,000					
9111 - Executive office	3	10,000	100	0	0	0	0

Trade Lines						
Date of Experience	Payment Status	Selling Terms	High Credit (US\$)	Now Owes (US\$)	Past Due (US\$)	Months Since Last Sale
05/21	Pays Promptly	-	10,000	-	-	1
05/21	Pays Promptly	-	2,500	-	-	1
05/21	Pays Promptly	-	50	-	-	1
07/20	-	Cash account	50	-	-	Between 6 and 12 Months

Legal Events

Judgements 0 Latest Filing: -	Liens 0 Latest Filing: -	Suits 0 Latest Filing: -	UCC Filings 0 Latest Filing: -
---	--	--	--

D&B has not received any Public Filings for this company

Special Events

<div>08-27-2019</div> <div>Business address has changed from 3350 Highway 6 S Ste 404, Sugar Land, TX, 77479 to 3330 N Briarpark Ln, Sugar Land, TX, 77479.</div>

Company Profile

Company Overview		
D-U-N-S 10-798-3392	Mailing Address United States	Annual Sales US\$ 500,000
Legal Form Corporation (US)	Telephone (281) 797-4138	Employees 1
History Record Incomplete	Present Control Succeeded 2001	Age (Year Started) 19 years (2001)
Date Incorporated 11-27-2001		Named Principal Jay Ferry, PRES
State of Incorporation Texas		Line of Business Business consulting services
Ownership Not publicly traded		

Business Registration

Corporate and business registrations reported by the secretary of state or other official source as of: 10-11-2021
This data is for informational purposes only, certification can only be obtained through the Office of the Secretary of State.

Registered Name	TEXAS ENERGY OPTIONS, INC
-----------------	---------------------------

Corporation Type	Corporation (US)
------------------	------------------

Business Commenced On	2001
-----------------------	------

State of Incorporation	TEXAS
------------------------	-------

Date Incorporated	11-27-2001
-------------------	------------

Registration ID	0800030538
-----------------	------------

Registration Status	IN EXISTENCE
---------------------	--------------

Filing Date	11-27-2001
-------------	------------

Where Filed	SECRETARY OF STATE
-------------	--------------------

Registered Agent

Name	JAY REEVES FERRY
------	------------------

Address	3330 NORTH BRIARPARK LANE, SUGAR LAND, TX, 774790000
---------	--

Registered Principal

Name	JAY REEVES FERRY
------	------------------

Title	President
-------	-----------

Address	3330 NORTH BRIARPARK LANE, SUGAR LAND, TX, 774790000
---------	--

Name	JAY REEVES FERRY
------	------------------

Title	Director
-------	----------

Address	3330 NORTH BRIARPARK LANE, SUGAR LAND, TX, 774790000
---------	--

Principals

Officers

JAY FERRY, PRES

Directors

DIRECTOR(S): THE OFFICER(S)

Company Events

The following information was reported on: 08-28-2021

On August 27, 2019, the Texas Secretary of States business registrations file showed that Texas Energy Options, Inc was registered as a Corporation on November 27, 2001, under file registration number 0800030538. Stock ownership is not available.

Business started 2001.

JAY FERRY. Work history unknown.

Business address has changed from 3350 Highway 6 S Ste 404, Sugar Land, TX, 77479 to 3330 N Briarpark Ln, Sugar Land, TX, 77479.

Business Activities And Employees

The following information was reported on: 08-28-2021

Business Information

Description	Provides business consulting services, specializing in energy conservation. Provides management consulting services. Territory : United States.
Employees	1 which includes officer(s).
Financing Status	Unsecured
Facilities	Occupies premises in building.

SIC/NAICS Information

SIC Codes	SIC Description	Percentage of Business
8748	Business consulting services	-
87489904	Energy conservation consultant	-
87420000	Management consulting services	-

NAICS Codes	NAICS Description
541690	Other Scientific and Technical Consulting Services
541611	Administrative Management and General Management Consulting Services

Government Activity

Activity Summary

Borrower(Dir/Guar)	No
Administrative Debt	No
Contractor	No

Activity Summary

Grantee	No
Party excluded from federal program(s)	No

Possible candidate for socio-economic program consideration

Small Business	Yes (2021)
----------------	------------

Financials

D&B currently has no financial information on file for this company

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Texas Energy Options, Inc
Projected Profit & Loss
2022-2024

Cash Basis

	2022	2023	2024
Income			
Consulting Revenue	\$ 3,000	\$ 6,000	\$ 12,000
Gross Profit	3,000	6,000	12,000
Expenses			
Taxes & Licenses	300	300	300
Total Expense	300	300	300
Net Ordinary Income	<u>\$ 2,700</u>	<u>\$ 5,700</u>	<u>\$ 11,700</u>

Competitive Retail Electric Service Affidavit

County of Fort Bend :

State of TEXAS :

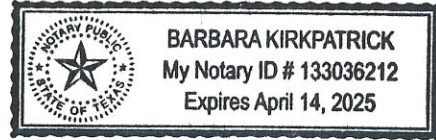
Jay Reeves Ferry, Affiant, being duly sworn/affirmed, hereby states that:

1. The information provided within the certification or certification renewal application and supporting information is complete, true, and accurate to the best knowledge of affiant, and that it will amend its application while it is pending if any substantial changes occur regarding the information provided.
2. The applicant will timely file an annual report of its intrastate gross receipts, gross earnings, and sales of kilowatt-hours of electricity pursuant to Sections 4905.10(A), 4911.18(A), and 4928.06(F), Ohio Revised Code.
3. The applicant will timely pay any assessment made pursuant to Sections 4905.10, 4911.18, and 4928.06(F), Ohio Revised Code.
4. The applicant will comply with all applicable rules and orders adopted by the Public Utilities Commission of Ohio pursuant to Title 49, Ohio Revised Code.
5. The applicant 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 will fully comply with Section 4928.09, Ohio Revised Code regarding consent to the jurisdiction of Ohio Courts and the service of process.
7. The applicant will comply with all state and/or federal rules and regulations concerning consumer protection, the environment, and advertising/promotions.
8. The applicant 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 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, 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.
11. The Applicant will inform the Public Utilities Commission of Ohio 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 consumer complaints.

12. The facts set forth above are true and accurate 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.

13. Affiant further sayeth naught.

John J. President
Signature of Affiant & Title



Sworn and subscribed before me this 14 day of October, 2021
Month Year

Barbara Kirkpatrick
Signature of official administering oath

Barbara Kirkpatrick
Print Name and Title Notary

My commission expires on April 14, 2025

Form **8879-S****IRS e-file Signature Authorization for Form 1120-S**

OMB No. 1545-0123

2020Department of the Treasury
Internal Revenue Service

- ERO must obtain and retain completed Form 8879-S.
► Go to www.irs.gov/Form8879S for the latest information.

For calendar year 2020, or tax year beginning , 2020, and ending , 20

Name of corporation

Employer identification number

TEXAS ENERGY OPTIONS INC**Part I Tax Return Information** (Whole dollars only)

1	Gross receipts or sales less returns and allowances (Form 1120-S, line 1c)	1	572,249.
2	Gross profit (Form 1120-S, line 3)	2	572,249.
3	Ordinary business income (loss) (Form 1120-S, line 21)	3	344,563.
4	Net rental real estate income (loss) (Form 1120-S, Schedule K, line 2)	4	
5	Income (loss) reconciliation (Form 1120-S, Schedule K, line 18)	5	343,851.

Part II Declaration and Signature Authorization of Officer (Be sure to get a copy of the corporation's return)

Under penalties of perjury, I declare that I am an officer of the above corporation and that I have examined a copy of the corporation's 2020 electronic income tax return and accompanying schedules and statements and to the best of my knowledge and belief, it is true, correct, and complete. I further declare that the amounts in Part I above are the amounts shown on the copy of the corporation's electronic income tax return. I consent to allow my electronic return originator (ERO), transmitter, or intermediate service provider to send the corporation's return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) the reason for any delay in processing the return or refund, and (c) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the corporation's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at **1-888-353-4537** no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the corporation's electronic income tax return and, if applicable, the corporation's consent to electronic funds withdrawal.

Officer's PIN: check one box only

☒ I authorize KENWOOD & ASSOCIATES, P C to enter my PIN 9 6 6 7 3 as my signature
ERO firm name Don't enter all zeros
on the corporation's 2020 electronically filed income tax return.

☐ As an officer of the corporation, I will enter my PIN as my signature on the corporation's 2020 electronically filed income tax return.

Officer's signature ► _____ Date ► 09/14/2021 Title ► SHAREHOLDER

Part III Certification and Authentication

ERO's EFIN/PIN. Enter your six-digit EFIN followed by your five-digit self-selected PIN.

7	6	7	3	1	2	7	6	0	2	0
---	---	---	---	---	---	---	---	---	---	---

Don't enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2020 electronically filed income tax return for the corporation indicated above. I confirm that I am submitting this return in accordance with the requirements of **Pub. 3112**, IRS e-file Application and Participation, and **Pub. 4163**, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns.

ERO's signature ► _____ Date ► _____

ERO Must Retain This Form - See Instructions
Don't Submit This Form to the IRS Unless Requested To Do So

For Paperwork Reduction Act Notice, see instructions.

Form **8879-S** (2020)

Form **1120-S**Department of the Treasury
Internal Revenue Service**U.S. Income Tax Return for an S Corporation**

Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation.
Go to www.irs.gov/Form1120S for instructions and the latest information.

OMB No. 1545-0123

2020

For calendar year 2020 or tax year beginning

, 2020, ending

, 20

A S election effective date 01/01/2003	NAME TEXAS ENERGY OPTIONS INC	D Employer identification number
B Business activity code number (see instructions) 541990	TYPE OR PRINT Number, street, and room or suite no. If a P.O. box, see instructions. 3350 HIGHWAY 6 SOUTH SUITE 404	E Date incorporated 11/27/2001
C Check if Sch. M-3 attached <input type="checkbox"/>	City or town, state or province, country, and ZIP or foreign postal code SUGAR LAND, TX 77478	F Total assets (see instructions) \$ 116,984.

G Is the corporation electing to be an S corporation beginning with this tax year? ☐ Yes ☒ No If "Yes," attach Form 2553 if not already filed**H** Check if: (1) ☐ Final return (2) ☐ Name change (3) ☐ Address change (4) ☐ Amended return (5) ☐ S election termination or revocation**I** Enter the number of shareholders who were shareholders during any part of the tax year **1****J** Check if corporation: (1) ☐ Aggregated activities for section 465 at-risk purposes (2) ☐ Grouped activities for section 469 passive activity purposes**Caution:** Include **only** trade or business income and expenses on lines 1a through 21. See the instructions for more information.

Income	1a Gross receipts or sales	1a	572,249.
	b Returns and allowances	1b	
	c Balance. Subtract line 1b from line 1a	1c	572,249.
	2 Cost of goods sold (attach Form 1125-A)	2	
	3 Gross profit. Subtract line 2 from line 1c	3	572,249.
	4 Net gain (loss) from Form 4797, line 17 (attach Form 4797)	4	
Deductions (see instructions for limitations)	5 Other income (loss) (see instructions - attach statement)	5	
	6 Total income (loss). Add lines 3 through 5	6	572,249.
	7 Compensation of officers (see instructions - attach Form 1125-E)	7	86,878.
	8 Salaries and wages (less employment credits)	8	16,800.
	9 Repairs and maintenance	9	
	10 Bad debts	10	
	11 Rents	11	21,600.
	12 Taxes and licenses	12	7,826.
	13 Interest (see instructions)	13	
	14 Depreciation not claimed on Form 1125-A or elsewhere on return (attach Form 4562)	14	
	15 Depletion (Do not deduct oil and gas depletion.)	15	
	16 Advertising	16	
	17 Pension, profit-sharing, etc., plans	17	16,884.
	18 Employee benefit programs	18	
	19 Other deductions (attach statement)	19	SEE STATEMENT 1
20 Total deductions. Add lines 7 through 19	20	227,686.	
21 Ordinary business income (loss). Subtract line 20 from line 6	21	344,563.	
Tax and Payments	22a Excess net passive income or LIFO recapture tax (see instructions)	22a	
	b Tax from Schedule D (Form 1120-S)	22b	
	c Add lines 22a and 22b (see instructions for additional taxes)	22c	
	23a 2020 estimated tax payments and 2019 overpayment credited to 2020	23a	
	b Tax deposited with Form 7004	23b	NONE
	c Credit for federal tax paid on fuels (attach Form 4136)	23c	
	d Reserved for future use	23d	
	e Add lines 23a through 23d	23e	NONE
	24 Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/>	24	
	25 Amount owed. If line 23e is smaller than the total of lines 22c and 24, enter amount owed	25	
26 Overpayment. If line 23e is larger than the total of lines 22c and 24, enter amount overpaid	26	NONE	
27 Enter amount from line 26: Credited to 2021 estimated tax NONE Refunded <input type="checkbox"/>	27	NONE	

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer **JAY FERRY** Date **09/14/2021** Title **PRESIDENT**

May the IRS discuss this return with the preparer shown below? See instructions. ☒ Yes ☐ No

Paid Preparer Use Only

Print/Type preparer's name **KENNETH J WOOD** Preparer's signature **KENNETH J WOOD** Date **09/14/2021** Check ☐ if self-employed PTIN **P00000904**

Firm's name **KENWOOD & ASSOCIATES, P C** Firm's EIN **76-0200879**

Firm's address **14090 SOUTHWEST FRWY, STE 200 SUGAR LAND, TX 77478** Phone no. **281-243-2300**

For Paperwork Reduction Act Notice, see separate instructions.

Form **1120-S** (2020)

Schedule B Other Information (see instructions)

1	Check accounting method: a <input checked="" type="checkbox"/> Cash b <input type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) ▶ _____	Yes	No
2	See the instructions and enter the: a Business activity ▶ <u>MANAGING ACQUISITION</u> b Product or service ▶ <u>BID SERVICES-ENERGY</u>		
3	At any time during the tax year, was any shareholder of the corporation a disregarded entity, a trust, an estate, or a nominee or similar person? If "Yes," attach Schedule B-1, Information on Certain Shareholders of an S Corporation . . .		X
4	At the end of the tax year, did the corporation: a Own directly 20% or more, or own, directly or indirectly, 50% or more of the total stock issued and outstanding of any foreign or domestic corporation? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v) below		X

(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage of Stock Owned	(v) If Percentage in (iv) is 100%, Enter the Date (if any) a Qualified Subchapter S Subsidiary Election Was Made

b	Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v) below		X
----------	---	--	---

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Maximum Percentage Owned in Profit, Loss, or Capital

5a	At the end of the tax year, did the corporation have any outstanding shares of restricted stock? If "Yes," complete lines (i) and (ii) below. (i) Total shares of restricted stock ▶ _____ (ii) Total shares of non-restricted stock ▶ _____		X
b	At the end of the tax year, did the corporation have any outstanding stock options, warrants, or similar instruments? If "Yes," complete lines (i) and (ii) below. (i) Total shares of stock outstanding at the end of the tax year ▶ _____ (ii) Total shares of stock outstanding if all instruments were executed ▶ _____		X
6	Has this corporation filed, or is it required to file, Form 8918 , Material Advisor Disclosure Statement, to provide information on any reportable transaction?		X
7	Check this box if the corporation issued publicly offered debt instruments with original issue discount ▶ <input type="checkbox"/> If checked, the corporation may have to file Form 8281 , Information Return for Publicly Offered Original Issue Discount Instruments.		
8	If the corporation (a) was a C corporation before it elected to be an S corporation or the corporation acquired an asset with a basis determined by reference to the basis of the asset (or the basis of any other property) in the hands of a C corporation, and (b) has net unrealized built-in gain in excess of the net recognized built-in gain from prior years, enter the net unrealized built-in gain reduced by net recognized built-in gain from prior years. See instructions ▶ \$ _____		
9	Did the corporation have an election under section 163(j) for any real property trade or business or any farming business in effect during the tax year? See instructions		X
10	Does the corporation satisfy one or more of the following? See instructions.		X
a	The corporation owns a pass-through entity with current, or prior year carryover, excess business interest expense.		
b	The corporation's aggregate average annual gross receipts (determined under section 448(c)) for the 3 tax years preceding the current tax year are more than \$26 million and the corporation has business interest expense.		
c	The corporation is a tax shelter and the corporation has business interest expense. If "Yes," complete and attach Form 8990.		
11	Does the corporation satisfy both of the following conditions?		X
a	The corporation's total receipts (see instructions) for the tax year were less than \$250,000.		
b	The corporation's total assets at the end of the tax year were less than \$250,000. If "Yes," the corporation is not required to complete Schedules L and M-1.		

Schedule B Other Information (see instructions) <i>(continued)</i>	Yes	No
12 During the tax year, did the corporation have any non-shareholder debt that was canceled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt? If "Yes," enter the amount of principal reduction ▶ \$ _____		X
13 During the tax year, was a qualified subchapter S subsidiary election terminated or revoked? If "Yes," see instructions		X
14 a Did the corporation make any payments in 2020 that would require it to file Form(s) 1099?	X	
b If "Yes," did the corporation file or will it file required Form(s) 1099?	X	
15 Is the corporation attaching Form 8996 to certify as a Qualified Opportunity Fund? If "Yes," enter the amount from Form 8996, line 15 ▶ \$ _____		X

	Schedule K Shareholders' Pro Rata Share Items		Total amount
Income (Loss)	1 Ordinary business income (loss) (page 1, line 21)	1	344,563.
	2 Net rental real estate income (loss) (attach Form 8825)	2	
	3a Other gross rental income (loss) 3a		
	b Expenses from other rental activities (attach statement) 3b		
	c Other net rental income (loss). Subtract line 3b from line 3a. 3c		
	4 Interest income STMT. 2. 4		23.
	5 Dividends: a Ordinary dividends 5a		
	b Qualified dividends 5b		
	6 Royalties 6		
	7 Net short-term capital gain (loss) (attach Schedule D (Form 1120-S)). 7		
Income (Loss)	8a Net long-term capital gain (loss) (attach Schedule D (Form 1120-S)) 8a		
	b Collectibles (28%) gain (loss) 8b		
	c Unrecaptured section 1250 gain (attach statement). 8c		
	9 Net section 1231 gain (loss) (attach Form 4797) 9		
	10 Other income (loss) (see instructions). Type ▶ 10		
Deductions	11 Section 179 deduction (attach Form 4562). 11		
	12a Charitable contributions STMT. 2. 12a		735.
	b Investment interest expense 12b		
	c Section 59(e)(2) expenditures Type ▶ 12c		
	d Other deductions (see instructions). Type ▶ 12d		
Credits	13a Low-income housing credit (section 42(j)(5)) 13a		
	b Low-income housing credit (other) 13b		
	c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468, if applicable) 13c		
	d Other rental real estate credits (see instructions) Type ▶ 13d		
	e Other rental credits (see instructions). Type ▶ 13e		
	f Biofuel producer credit (attach Form 6478). 13f		
	g Other credits (see instructions). Type ▶ 13g		
Foreign Transactions	14a Name of country or U.S. possession ▶ _____ 14b		
	b Gross income from all sources 14b		
	c Gross income sourced at shareholder level 14c		
	Foreign gross income sourced at corporate level 14d		
	d Reserved for future use 14d		
	e Foreign branch category. 14e		
	f Passive category. 14f		
	g General category 14g		
	h Other (attach statement). 14h		
	Deductions allocated and apportioned at shareholder level 14i		
	i Interest expense. 14i		
	j Other 14j		
	Deductions allocated and apportioned at corporate level to foreign source income 14k		
	k Reserved for future use 14k		
	l Foreign branch category. 14l		
	m Passive category 14m		
	n General category 14n		
	o Other (attach statement). 14o		
	Other information 14p		
p Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued ▶ 14p			
q Reduction in taxes available for credit (attach statement) 14q			
r Other foreign tax information (attach statement) 14r			

TEXAS ENERGY OPTIONS INC

Form 1120-S (2020)

Page **4**

Schedule K Shareholders' Pro Rata Share Items (continued)		Total amount	
Alternative Minimum Tax (AMT) Items	15 a Post-1986 depreciation adjustment	15a	
	b Adjusted gain or loss	15b	
	c Depletion (other than oil and gas)	15c	
	d Oil, gas, and geothermal properties - gross income	15d	
	e Oil, gas, and geothermal properties - deductions	15e	
	f Other AMT items (attach statement)	15f	
Items Affecting Shareholder Basis	16 a Tax-exempt interest income	16a	
	b Other tax-exempt income	16b	
	c Nondeductible expenses STMT 3.	16c	10,322.
	d Distributions (attach statement if required) (see instructions) STMT 3.	16d	259,795.
	e Repayment of loans from shareholders	16e	
Other Information	17 a Investment income	17a	23.
	b Investment expenses	17b	
	c Dividend distributions paid from accumulated earnings and profits	17c	
	d Other items and amounts (attach statement) STMT 3		
Reconciliation	18 Income (loss) reconciliation. Combine the amounts on lines 1 through 10 in the far right column. From the result, subtract the sum of the amounts on lines 11 through 12d and 14p . . .	18	343,851.

Schedule L Balance Sheets per Books		Beginning of tax year		End of tax year	
Assets		(a)	(b)	(c)	(d)
1	Cash		58,022.		116,984.
2a	Trade notes and accounts receivable . .				
b	Less allowance for bad debts . .	()		()	
3	Inventories				
4	U.S. government obligations . .				
5	Tax-exempt securities (see instructions) .				
6	Other current assets (attach statement) .				
7	Loans to shareholders				
8	Mortgage and real estate loans . .				
9	Other investments (attach statement)				
10a	Buildings and other depreciable assets .	1,990.		1,990.	
b	Less accumulated depreciation . .	(1,990.)		(1,990.)	
11a	Depletable assets				
b	Less accumulated depletion . .	()		()	
12	Land (net of any amortization) . .				
13a	Intangible assets (amortizable only)	325.		325.	
b	Less accumulated amortization . .	(325.)		(325.)	
14	Other assets (attach statement) . .				
15	Total assets		58,022.		116,984.
Liabilities and Shareholders' Equity					
16	Accounts payable				
17	Mortgages, notes, bonds payable in less than 1 year				
18	Other current liabilities (attach statement)	STMT 4	51,998.		37,227.
19	Loans from shareholders				
20	Mortgages, notes, bonds payable in 1 year or more				
21	Other liabilities (attach statement) . .				
22	Capital stock		1,000.		1,000.
23	Additional paid-in capital		3,435.		3,435.
24	Retained earnings		1,589.		75,322.
25	Adjustments to shareholders' equity (attach statement)				
26	Less cost of treasury stock	()		()	
27	Total liabilities and shareholders' equity.		58,022.		116,984.

Form **1120-S** (2020)

Schedule M-1**Reconciliation of Income (Loss) per Books With Income (Loss) per Return****Note:** The corporation may be required to file Schedule M-3. See instructions.

1 Net income (loss) per books	333,529.	5 Income recorded on books this year not included on Schedule K, lines 1 through 10 (itemize):	
2 Income included on Schedule K, lines 1, 2, 3c, 4, 5a, 6, 7, 8a, 9, and 10, not recorded on books this year (itemize) _____		a Tax-exempt interest \$ _____	
3 Expenses recorded on books this year not included on Schedule K, lines 1 through 12 and 14p (itemize):		6 Deductions included on Schedule K, lines 1 through 12 and 14p, not charged against book income this year (itemize):	
a Depreciation \$ _____		a Depreciation \$ _____	
b Travel and entertainment \$ _____	6,184.	7 Add lines 5 and 6	
SEE STATEMENT 5	4,138.	8 Income (loss) (Schedule K, line 18).	
4 Add lines 1 through 3	343,851.	Subtract line 7 from line 4	343,851.

Schedule M-2**Analysis of Accumulated Adjustments Account, Shareholders' Undistributed Taxable Income Previously Taxed, Accumulated Earnings and Profits, and Other Adjustments Account**
(see instructions)

	(a) Accumulated adjustments account	(b) Shareholders' undistributed taxable income previously taxed	(c) Accumulated earnings and profits	(d) Other adjustments account
1 Balance at beginning of tax year	1,589.			
2 Ordinary income from page 1, line 21	344,563.			
3 Other additions . SEE. STATEMENT. 5.	23.			
4 Loss from page 1, line 21	()			
5 Other reductions . SEE. STATEMENT. 5.	(11,058.)			()
6 Combine lines 1 through 5	335,117.			
7 Distributions	259,795.			
8 Balance at end of tax year. Subtract line 7 from line 6	75,322.			

Compensation of Officers

OMB No. 1545-0123

▶ Attach to Form 1120, 1120-C, 1120-F, 1120-REIT, 1120-RIC, or 1120S.

► Information about Form 1125-E and its separate instructions is at www.irs.gov/form1125e.

Name _____

Employer identification number	
--------------------------------	--

TEXAS ENERGY OPTIONS INC

Note: Complete Form 1125-E only if total receipts are \$500,000 or more. See instructions for definition of total receipts.

(a) Name of officer	(b) Social security number (see instructions)	(c) Percent of time devoted to business	Percent of stock owned		(f) Amount of compensation
			(d) Common	(e) Preferred	
1					
JAY REEVES FERRY	- - - - -	100.000 %	100.000 %	%	86,878.
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
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		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
2 Total compensation of officers				2	86,878.
3 Compensation of officers claimed on Form 1125-A or elsewhere on return				3	
4 Subtract line 3 from line 2. Enter the result here and on Form 1120, page 1, line 12 or the appropriate line of your tax return				4	86,878.

For Paperwork Reduction Act Notice, see separate instructions.

Form **1125-E** (Rev. 10-2016)

**Application for Automatic Extension of Time To File Certain
Business Income Tax, Information, and Other Returns**

OMB No. 1545-0233

► File a separate application for each return.

► Go to www.irs.gov/Form7004 for instructions and the latest information.

**Print
or
Type**

Name

TEXAS ENERGY OPTIONS INC

Identifying number

Number, street, and room or suite no. (If P.O. box, see instructions.)

3350 HIGHWAY 6 SOUTH SUITE 404

City, town, state, and ZIP code (If a foreign address, enter city, province or state, and country (follow the country's practice for entering postal code).)

SUGAR LAND, TX 77478

Note: File request for extension by the due date of the return. See instructions before completing this form.

Part I Automatic Extension for Certain Business Income Tax, Information, and Other Returns. See instructions.

1 Enter the form code for the return listed below that this application is for 2 5

Application Is For:	Form Code	Application Is For:	Form Code
Form 706-GS(D)	01	Form 1120-ND (section 4951 taxes)	20
Form 706-GS(T)	02	Form 1120-PC	21
Form 1041 (bankruptcy estate only)	03	Form 1120-POL	22
Form 1041 (estate other than a bankruptcy estate)	04	Form 1120-REIT	23
Form 1041 (trust)	05	Form 1120-RIC	24
Form 1041-N	06	Form 1120S	25
Form 1041-QFT	07	Form 1120-SF	26
Form 1042	08	Form 3520-A	27
Form 1065	09	Form 8612	28
Form 1066	11	Form 8613	29
Form 1120	12	Form 8725	30
Form 1120-C	34	Form 8804	31
Form 1120-F	15	Form 8831	32
Form 1120-FSC	16	Form 8876	33
Form 1120-H	17	Form 8924	35
Form 1120-L	18	Form 8928	36
Form 1120-ND	19		

Part II All Filers Must Complete This Part

- 2 If the organization is a foreign corporation that does not have an office or place of business in the United States, check here ☐
- 3 If the organization is a corporation and is the common parent of a group that intends to file a consolidated return, check here ☐
If checked, attach a statement listing the name, address, and employer identification number (EIN) for each member covered by this application.
- 4 If the organization is a corporation or partnership that qualifies under Regulations section 1.6081-5, check here . . ☐
- 5a The application is for calendar year 20 20 , or tax year beginning _____, 20 _____, and ending _____, 20 _____
- b **Short tax year.** If this tax year is less than 12 months, check the reason: ☐ Initial return ☐ Final return
☐ Change in accounting period ☐ Consolidated return to be filed ☐ Other (See instructions - attach explanation)

6	Tentative total tax	6	NONE
7	Total payments and credits. See instructions	7	NONE
8	Balance due. Subtract line 7 from line 6. See instructions	8	NONE

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.

Form **7004** (Rev. 12-2018)

2020 Depreciation

[illegible]

*Assets Retired

2020 Depreciation

[illegible]

*Assets Retired

94-3417647

TEXAS ENERGY OPTIONS INC

FORM 1120S, PAGE 1 DETAIL

LINE 19 - SUMMARY OF TRAVEL AND MEALS

AMOUNTS SUBJECT TO 50% LIMITATION

GROSS MEALS	10,967.
LESS 50% LIMITATION (TO SCH M-1 & M-2)	5,484.
NET MEALS TO OTHER DEDUCTIONS	5,483.

TOTAL LINE 19 - TRAVEL AND MEALS	5,483.
----------------------------------	--------

LINE 19 - OTHER DEDUCTIONS

TRAVEL AND MEALS	5,483.
INSURANCE - OTHER	1,004.
LEGAL AND ACCOUNTING	5,884.
DUES & SUBSCRIPTIONS	3,010.
STORAGE	10,278.
MISCELLANEOUS	726.
OFFICE EXPENSES	1,866.
OFFICE SUPPLIES	6,330.
POSTAGE	57.
UTILITIES	874.
TELEPHONE & FAX	11,833.
TRAVEL	229.
CONTRACT LABOR	19,900.
BANK FEES	60.
AUTOMOBILE EXPENSES	2,352.
BUSINESS LICENSE & FEES	7,812.

TOTAL	77,698.
-------	---------

FORM 1120S, PAGE 3 DETAIL
=====

SCH K, LINE 4 - INTEREST INCOME

INTEREST INCOME	23.

TOTAL	23.
	=====

SCH K, LINE 12A - CONTRIBUTIONS

CONTRIBUTIONS SUBJECT TO 60% LIMITATION	

CHARITABLE CONTRIBUTIONS	735.

SUBTOTAL	735.

TOTAL	735.
	=====

FORM 1120S, PAGE 4 DETAIL - SCH K

SCH K, LINE 16C - NONDEDUCTIBLE EXPENSES

50% DISALLOWED MEALS	5,484.
100% DISALLOWED ENTERTAINMENT	700.
NONDEDUCTIBLE OFFICER LIFE INSURANCE	4,138.

TOTAL	10,322.
	=====

SCH K, LINE 16D - DISTRIBUTION SUMMARY

CASH DISTRIBUTION	
	259,795.

TOTAL DISTRIBUTIONS	259,795.
	=====

SCH K, LINE 17D - OTHER ITEMS AND AMOUNTS

SECTION 199A - GENERAL TRADE OR BUSINESS NOT SSTB	
ORDINARY INCOME (LOSS)	344,563.
199A W-2 WAGES	103,678.
199A UBI OF QUALIFIED PROPERTY	1,990.

FORM 1120S, PAGE 4 DETAIL - SCH L

=====

	BEGINNING	ENDING
	-----	-----
LINE 18 - OTHER CURRENT LIABILITIES		

PAYROLL LIABILITIES	25,098.	20,343.
ACCRUED SEP CONTRIBUTION	26,900.	16,884.
	-----	-----
TOTAL	51,998.	37,227.
	=====	=====

FORM 1120S, PAGE 5 DETAIL
=====

SCH M-1, LINE 3B - NONDEDUCTIBLE MEALS & ENTERTAINMENT SUMMARY

GROSS MEALS SUBJECT TO LIMITATION	10,967.
50% DISALLOWED MEAL	5,484.
100% DISALLOWED ENTERTAINMENT	700.

TOTAL	6,184.
	=====

SCH M-1, LINE 3 - EXPENSES ON BOOKS NOT IN RETURN

NONDEDUCTIBLE OFFICER LIFE INSURANCE	4,138.

TOTAL	4,138.
	=====

SCH M-2, LINE 3 - OTHER ADDITIONS - AAA

PORTFOLIO INTEREST INCOME	23.

TOTAL	23.
	=====

SCH M-2, LINE 5 - OTHER REDUCTIONS - AAA

CHARITABLE CONTRIBUTIONS	735.
NONDEDUCTIBLE OFFICER LIFE INSURANCE	4,138.
50% DISALLOWED MEALS	5,484.
100% DISALLOWED ENTERTAINMENT	700.
ROUNDING	1.

TOTAL	11,058.
	=====

TEXAS ENERGY OPTIONS INC

SHAREHOLDER SUMMARY

=====

SH. #	SHAREHOLDER NAME	OWNERSHIP	
		BEGINNING SHARES	PERCENTAGE
-----	-----	-----	-----
1	JAY R FERRY	1000.0000	100.000000000000

Schedule K-1
(Form 1120-S)Department of the Treasury
Internal Revenue Service

2020

For calendar year 2020, or tax year

beginning ending Shareholder's Share of Income, Deductions,
Credits, etc.

▶ See separate instructions.

Part I Information About the Corporation

A Corporation's employer identification number

B Corporation's name, address, city, state, and ZIP code

TEXAS ENERGY OPTIONS INC
3350 HIGHWAY 6 SOUTH SUITE 404
SUGAR LAND, TX 77478

C IRS Center where corporation filed return

EFILE

Part II Information About the Shareholder

D Shareholder's identifying number

E Shareholder's name, address, city, state, and ZIP code

JAY R FERRY

3330 NORTH BRIARPARK LANE
SUGAR LAND, TX 77479

F Current year allocation percentage 100.000000000000 %

G Shareholder's number of shares

Beginning of tax year 1000.000000

End of tax year 1000.000000

H Loans from shareholder

Beginning of tax year \$

End of tax year \$

For IRS Use Only

☐ Final K-1☐ Amended K-1671120
OMB No. 1545-0123Part III Shareholder's Share of Current Year Income,
Deductions, Credits, and Other Items

1	Ordinary business income (loss)	13	Credits
	344,563.		
2	Net rental real estate income (loss)		
3	Other net rental income (loss)		
4	Interest income		
*	23.		
5a	Ordinary dividends		
5b	Qualified dividends	14	Foreign transactions
6	Royalties		
7	Net short-term capital gain (loss)		
8a	Net long-term capital gain (loss)		
8b	Collectibles (28%) gain (loss)		
8c	Unrecaptured section 1250 gain		
9	Net section 1231 gain (loss)		
10	Other income (loss)	15	Alternative minimum tax (AMT) items
11	Section 179 deduction	16	Items affecting shareholder basis
		C*	10,322.
12	Other deductions		
A*	735.	D	259,795.
		17	Other information
		A	23.
		V*	STMT
		AC*	STMT
18	More than one activity for at-risk purposes*		
19	More than one activity for passive activity purposes*		

* See attached statement for additional information.

FORM 1120S, SCHEDULE K-1, S/H #1 JAY R FERRY

SCH K-1, LINE 4 - INTEREST INCOME

INTEREST INCOME

23.

TOTAL

23.

SCH K-1, LINE 12 - OTHER DEDUCTIONS

CODE A - CASH CONTRIBUTIONS (60%)

CHARITABLE CONTRIBUTIONS

735.

TOTAL

735.

SCH K-1, LINE 16 - ITEMS AFFECTING SHAREHOLDER BASIS

CODE C - NONDEDUCTIBLE EXPENSES

50% DISALLOWED MEALS

5,484.

100% ENTERTAINMENT

700.

NONDEDUCTIBLE OFFICER LIFE INSURANCE

4,138.

TOTAL

10,322.

SCH K-1, LINE 16D - CASH DISTRIBUTIONS

TOTAL CASH DISTRIBUTIONS

259,795.

SCH K-1, LINE 17 - OTHER INFORMATION

CODE AC - GROSS RECEIPTS FOR SECTION 448(C)

THE ENTITY WAS NOT SUBJECT TO 163(J)

TEXAS ENERGY OPTIONS INC

FORM 1120S, SCHEDULE K-1, S/H #1 JAY R FERRY

SCH K-1, LINE 17 - OTHER INFORMATION (CONT'D)

GROSS RECEIPTS (PRIOR YEAR(S) AVERAGE) 571,084.

ADJUSTED TAXABLE INCOME	343,851.
-------------------------	----------

Statement A - QBI Pass-through Entity Reporting

Corporation's/Partnership's name: TEXAS ENERGY OPTIONS INC				Corporation's/Partnership's EIN:			
Shareholder's/Partner's name: JAY R FERRY		Shareholder's/Partner's identifying number:					
Shareholder's/Partner's share of:		TEXAS ENERGY OP					
		EIN: 1	EIN:	EIN:	EIN:	EIN:	EIN:
		<input type="checkbox"/> PTP	<input type="checkbox"/> PTP	<input type="checkbox"/> PTP	<input type="checkbox"/> PTP	<input type="checkbox"/> PTP	<input type="checkbox"/> PTP
		<input type="checkbox"/> Aggregated	<input type="checkbox"/> Aggregated	<input type="checkbox"/> Aggregated	<input type="checkbox"/> Aggregated	<input type="checkbox"/> Aggregated	<input type="checkbox"/> Aggregated
		<input type="checkbox"/> SSTB	<input type="checkbox"/> SSTB	<input type="checkbox"/> SSTB	<input type="checkbox"/> SSTB	<input type="checkbox"/> SSTB	<input type="checkbox"/> SSTB
QBI or qualified PTP items. subject to shareholder/partner- specific determinations:							
	Ordinary business income (loss)	342392					
	Rental income (loss)						
	Royalty income (loss)						
	Section 1231 gain (loss).						
	Other income (loss)						
	Section 179 deduction						
	Other deductions						
W-2 wages		103678					
UBIA of qualified property		1990					
Section 199A dividends							

Worksheet for Figuring a Shareholder's Stock and Debt Basis**Part I - Shareholder Stock Basis**

1.	Stock basis at the beginning of the corporation's tax year	1.	<u>188,784</u>
2.	Basis from any capital contributions made or additional stock acquired during the tax year.	2.	<u> </u>
3a.	Ordinary business income (enter losses in Part III).	3a.	<u>344,563</u>
b.	Net rental real estate income (enter losses in Part III)	3b.	<u> </u>
c.	Other net rental income (enter losses in Part III).	3c.	<u> </u>
d.	Interest income	3d.	<u>23</u>
e.	Ordinary dividends	3e.	<u> </u>
f.	Royalties.	3f.	<u> </u>
g.	Net capital gains (enter losses in Part III).	3g.	<u> </u>
h.	Net section 1231 gain (enter losses in Part III)	3h.	<u> </u>
i.	Other income (enter losses in Part III)	3i.	<u> </u>
j.	Excess depletion adjustment	3j.	<u> </u>
k.	Tax-exempt income	3k.	<u> </u>
l.	Recapture of business credits	3l.	<u> </u>
m.	Other items that increase stock basis	3m.	<u> </u>
4.	Add lines 3a through 3m	4.	<u>344,586</u>
5.	Stock basis before distributions. Add lines 1, 2, and 4	5.	<u>533,370</u>
6.	Distributions (excluding dividend distributions)	6.	<u>259,795</u>
	Note. If line 6 is larger than line 5, subtract line 5 from line 6 and report the result as a capital gain on Form 8949 and Schedule D. See instructions.		
7.	Stock basis after distributions. Subtract line 6 from line 5. If the result is zero or less, enter -0-, skip lines 8 through 14, and enter -0- on line 15.	7.	<u>273,575</u>
8a.	Nondeductible expenses	8a.	<u>10,322</u>
b.	Depletion for oil and gas	8b.	<u> </u>
c.	Business credits (sections 50(c)(1) and (5))	8c.	<u> </u>
9.	Add lines 8a through 8c	9.	<u>10,322</u>
10.	Stock basis before loss and deduction items. Subtract line 9 from line 7. If the result is zero or less, enter -0-, skip lines 11 through 14, and enter -0- on line 15	10.	<u>263,253</u>
11.	Allowable loss and deduction items. Enter the amount from Part III, line 13, column (c)	11.	<u>735</u>
12.	Debt basis restoration (see net increase in instructions for Part II, line 8)	12.	<u> </u>
13.	Other items that decrease stock basis	13.	<u> </u>
14.	Add lines 11, 12, and 13	14.	<u>735</u>
15.	Stock basis at the end of the corporation's tax year. Subtract line 14 from line 10. If the result is zero or less, enter -0-	15.	<u>262,518</u>

Part III. Shareholder Allowable Loss and Deduction Items

The corporate losses and other deduction items are limited to the sum of your stock and debt basis. When stock and debt basis is insufficient, and there is more than one type of loss or deduction item that reduces basis, the amounts allowed as a loss or deduction are allocated on a pro rata basis. See Regulations sections 1.1366-2(a)(4) and (5).

Loss and deductions in excess of basis are suspended and carried forward indefinitely and the character of the loss and deduction items is retained.

Part III shows the pro rata allocation and tracks any loss or deduction carryforward.

Column (a). Enter the loss and deduction amounts for each item as reported on your Schedule K-1.

Column (b). Enter any loss or deduction items disallowed due to

basis limitations in prior years that were carried forward.

Column (c). If Part I, line 10, is zero, skip column (c).

If stock basis, as reported on Part I, line 10, is greater than the sum of column (a) and column (b), line 13, enter the sum of each line for column (a) plus column (b) in column (c). If stock basis, as reported on Part I, line 10, is less than the sum of column (a) and column (b), line 13, enter the pro rata amount on the corresponding line in column (c). The total allocation amount reported in column (c), line 13, can't exceed the amount reported on Part I, line 10.

Column (d). If Part II, line 14, is zero, skip column (d).

If column (c), line 13, is less than Part I, line 10, skip column (d).

If debt basis, as reported on Part II, line 14, is greater than column (a) plus

column (b) minus column (c), line 13, enter column (a) plus column (b) minus column (c), in column (d) for each line item. If debt basis, as reported on Part II, line 14, is less than column (a) plus column (b) minus column (c), line 13, enter the pro rata amount on the corresponding line in column (d). The total allocation amount reported in column (d), line 13, can't exceed the amount reported on Part II, line 14.

The allowable losses and deductions from columns (c) and (d) should be reported on the appropriate areas of your return (subject to any additional limitations).

Column (e). If the sum of column (a) plus column (b) exceeds the sum of column (c) plus column (d), enter the excess in column (e) for each line item. If you disposed of all your stock, see Regulations section 1.1366-2(a)(6).

Part III - Shareholder Allowable Loss and Deduction Items

Description		(a) Current year losses and deductions	(b) Carryover amounts (column (e)) from the previous year	(c) Allowable loss from stock basis	(d) Allowable loss from debt basis	(e) Carryover amounts
1.	Ordinary business loss					
2.	Net rental real estate loss					
3.	Other net rental loss					
4.	Net capital loss.					
5.	Net section 1231 loss					
6.	Other loss					
7.	Section 179 deductions					
8.	Charitable contributions	735.		735.		
9.	Investment interest expense					
10.	Section 59(e)(2) expenditures.					
11.	Other deductions.					
12.	Foreign taxes paid or accrued.					
13.	Total loss. Combine lines 1 through 12 for each column. Enter the total loss in column (c) on line 11 of Part I and enter the total loss in column (d) on line 15 of Part II	735.		735.		

IRS e-file Signature Authorization for Form 1120-S

OMB No. 1545-0123

- ERO must obtain and retain completed Form 8879-S.
 ► Go to www.irs.gov/Form8879S for the latest information.

2019Department of the Treasury
Internal Revenue Service

For calendar year 2019, or tax year beginning

, 2019, and ending

, 20

Name of corporation

Employer identification number

TEXAS ENERGY OPTIONS INC**Part I Tax Return Information** (Whole dollars only)

1	Gross receipts or sales less returns and allowances (Form 1120-S, line 1c)	1	572,676.
2	Gross profit (Form 1120-S, line 3)	2	572,676.
3	Ordinary business income (loss) (Form 1120-S, line 21)	3	248,935.
4	Net rental real estate income (loss) (Form 1120-S, Schedule K, line 2)	4	
5	Income (loss) reconciliation (Form 1120-S, Schedule K, line 18)	5	247,551.

Part II Declaration and Signature Authorization of Officer (Be sure to get a copy of the corporation's return)

Under penalties of perjury, I declare that I am an officer of the above corporation and that I have examined a copy of the corporation's 2019 electronic income tax return and accompanying schedules and statements and to the best of my knowledge and belief, it is true, correct, and complete. I further declare that the amounts in Part I above are the amounts shown on the copy of the corporation's electronic income tax return. I consent to allow my electronic return originator (ERO), transmitter, or intermediate service provider to send the corporation's return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) the reason for any delay in processing the return or refund, and (c) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the corporation's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at **1-888-353-4537** no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the corporation's electronic income tax return and, if applicable, the corporation's consent to electronic funds withdrawal.

Officer's PIN: check one box only

☒ I authorize KENWOOD & ASSOCIATES, P C to enter my PIN 9 6 6 7 3 as my signature
ERO firm name
 on the corporation's 2019 electronically filed income tax return.
Don't enter all zeros

☐ As an officer of the corporation, I will enter my PIN as my signature on the corporation's 2019 electronically filed income tax return.

Officer's signature ►  Date ► 11/18/20 Title ► SHAREHOLDER

Part III Certification and Authentication

ERO's EFIN/PIN. Enter your six-digit EFIN followed by your five-digit self-selected PIN.

7	6	7	3	1	2	7	6	0	2	0
---	---	---	---	---	---	---	---	---	---	---

Don't enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2019 electronically filed income tax return for the corporation indicated above. I confirm that I am submitting this return in accordance with the requirements of Pub. 3112, IRS e-file Application and Participation, and Pub. 4163, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns.

ERO's signature ►  Date ► 11.15.20

ERO Must Retain This Form - See Instructions
Don't Submit This Form to the IRS Unless Requested To Do So

For Paperwork Reduction Act Notice, see instructions.

Form **8879-S** (2019)

Form **1120-S**Department of the Treasury
Internal Revenue Service**U.S. Income Tax Return for an S Corporation**Do not file this form unless the corporation has filed or
is attaching Form 2553 to elect to be an S corporation.Go to www.irs.gov/Form1120S for instructions and the latest information.

OMB No. 1545-0123

2019

For calendar year 2019 or tax year beginning

, 2019, ending

, 20

A S election effective date 01/01/2003	Name TEXAS ENERGY OPTIONS INC	D Employer identification number
B Business activity code number (see instructions) 541990	Number, street, and room or suite no. If a P.O. box, see instructions. 3350 HIGHWAY 6 SOUTH SUITE 404	E Date incorporated 11/27/2001
C Check if Sch. M-3 attached <input type="checkbox"/>	City or town, state or province, country, and ZIP or foreign postal code SUGAR LAND, TX 77478	F Total assets (see instructions) \$ 58,022.

G Is the corporation electing to be an S corporation beginning with this tax year? ☐ Yes ☒ No If "Yes," attach Form 2553 if not already filed**H** Check if: (1) ☐ Final return (2) ☐ Name change (3) ☐ Address change (4) ☐ Amended return (5) ☐ S election termination or revocation**I** Enter the number of shareholders who were shareholders during any part of the tax year 1**J** Check if corporation: (1) ☐ Aggregated activities for section 465 at-risk purposes (2) ☐ Grouped activities for section 469 passive activity purposes**Caution:** Include **only** trade or business income and expenses on lines 1a through 21. See the instructions for more information.

Income	1a Gross receipts or sales	1a	572,676.	
	b Returns and allowances	1b		
	c Balance. Subtract line 1b from line 1a			1c 572,676.
	2 Cost of goods sold (attach Form 1125-A)			2
	3 Gross profit. Subtract line 2 from line 1c			3 572,676.
	4 Net gain (loss) from Form 4797, line 17 (attach Form 4797)			4
Deductions (see instructions for limitations)	5 Other income (loss) (see instructions - attach statement)			5
	6 Total income (loss). Add lines 3 through 5			6 572,676.
	7 Compensation of officers (see instructions - attach Form 1125-E)			7 126,189.
	8 Salaries and wages (less employment credits)			8 12,000.
	9 Repairs and maintenance			9 455.
	10 Bad debts			10
	11 Rents			11 21,600.
	12 Taxes and licenses			12 10,257.
	13 Interest (see instructions)			13 8,058.
	14 Depreciation not claimed on Form 1125-A or elsewhere on return (attach Form 4562)			14
	15 Depletion (Do not deduct oil and gas depletion.)			15
	16 Advertising			16
	17 Pension, profit-sharing, etc., plans			17 26,900.
	18 Employee benefit programs			18
	19 Other deductions (attach statement)		SEE STATEMENT 1	19 118,282.
20 Total deductions. Add lines 7 through 19			20 323,741.	
21 Ordinary business income (loss). Subtract line 20 from line 6			21 248,935.	
Tax and Payments	22a Excess net passive income or LIFO recapture tax (see instructions)	22a		22c
	b Tax from Schedule D (Form 1120-S)	22b		
	c Add lines 22a and 22b (see instructions for additional taxes)			
	23a 2019 estimated tax payments and 2018 overpayment credited to 2019	23a		23e NONE
	b Tax deposited with Form 7004	23b	NONE	
	c Credit for federal tax paid on fuels (attach Form 4136)	23c		
	d Reserved for future use	23d		
	e Add lines 23a through 23d			
	24 Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/>			24
	25 Amount owed. If line 23e is smaller than the total of lines 22c and 24, enter amount owed			25
26 Overpayment. If line 23e is larger than the total of lines 22c and 24, enter amount overpaid			26 NONE	
27 Enter amount from line 26: Credited to 2020 estimated tax <input type="checkbox"/> NONE Refunded <input type="checkbox"/> NONE			27 NONE	

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer JAY FERRY Date 09/15/2020 Title PRESIDENT

May the IRS discuss this return with the preparer shown below? See instructions. ☒ Yes ☐ No

Paid Preparer Use Only

Print/Type preparer's name KENNETH J WOOD Preparer's signature [Signature] Date 09/15/20 Check ☐ if self-employed PTIN P00000904

Firm's name KENWOOD & ASSOCIATES, P C Firm's EIN 76-0200879

Firm's address 14090 SOUTHWEST FRWY, STE 200

Firm's address SUGAR LAND, TX 77478 Phone no. 281-243-2300

For Paperwork Reduction Act Notice, see separate instructions.

Form **1120-S** (2019)

Schedule B Other Information (see instructions)

1	Check accounting method: a <input checked="" type="checkbox"/> Cash b <input type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) ▶ _____	Yes	No																									
2	See the instructions and enter the: a Business activity ▶ <u>MANAGING ACQUISITION</u> b Product or service ▶ <u>BID SERVICES-ENERGY</u>																											
3	At any time during the tax year, was any shareholder of the corporation a disregarded entity, a trust, an estate, or a nominee or similar person? If "Yes," attach Schedule B-1, Information on Certain Shareholders of an S Corporation . . .		X																									
4	At the end of the tax year, did the corporation: a Own directly 20% or more, or own, directly or indirectly, 50% or more of the total stock issued and outstanding of any foreign or domestic corporation? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v) below		X																									
	<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width:25%;">(i) Name of Corporation</th> <th style="width:25%;">(ii) Employer Identification Number (if any)</th> <th style="width:25%;">(iii) Country of Incorporation</th> <th style="width:25%;">(iv) Percentage of Stock Owned</th> <th style="width:20%;">(v) If Percentage in (iv) is 100%, Enter the Date (if any) a Qualified Subchapter S Subsidiary Election Was Made</th> </tr> </thead> <tbody> <tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr> </tbody> </table>	(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage of Stock Owned	(v) If Percentage in (iv) is 100%, Enter the Date (if any) a Qualified Subchapter S Subsidiary Election Was Made																						
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b	Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v) below		X																									
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(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Maximum Percentage Owned in Profit, Loss, or Capital																								
5a	At the end of the tax year, did the corporation have any outstanding shares of restricted stock? If "Yes," complete lines (i) and (ii) below. (i) Total shares of restricted stock ▶ _____ (ii) Total shares of non-restricted stock ▶ _____		X																									
b	At the end of the tax year, did the corporation have any outstanding stock options, warrants, or similar instruments? If "Yes," complete lines (i) and (ii) below. (i) Total shares of stock outstanding at the end of the tax year ▶ _____ (ii) Total shares of stock outstanding if all instruments were executed ▶ _____		X																									
6	Has this corporation filed, or is it required to file, Form 8918 , Material Advisor Disclosure Statement, to provide information on any reportable transaction?		X																									
7	Check this box if the corporation issued publicly offered debt instruments with original issue discount <input type="checkbox"/> If checked, the corporation may have to file Form 8281 , Information Return for Publicly Offered Original Issue Discount Instruments.																											
8	If the corporation (a) was a C corporation before it elected to be an S corporation or the corporation acquired an asset with a basis determined by reference to the basis of the asset (or the basis of any other property) in the hands of a C corporation and (b) has net unrealized built-in gain in excess of the net recognized built-in gain from prior years, enter the net unrealized built-in gain reduced by net recognized built-in gain from prior years. See instructions ▶ \$ _____																											
9	Did the corporation have an election under section 163(j) for any real property trade or business or any farming business in effect during the tax year? See instructions		X																									
10	Does the corporation satisfy one or more of the following? See instructions a The corporation owns a pass-through entity with current, or prior year carryover, excess business interest expense. b The corporation's aggregate average annual gross receipts (determined under section 448(c)) for the 3 tax years preceding the current tax year are more than \$26 million and the corporation has business interest expense. c The corporation is a tax shelter and the corporation has business interest expense. If "Yes," complete and attach Form 8990.		X																									
11	Does the corporation satisfy both of the following conditions? a The corporation's total receipts (see instructions) for the tax year were less than \$250,000. b The corporation's total assets at the end of the tax year were less than \$250,000. If "Yes," the corporation is not required to complete Schedules L and M-1.		X																									

Schedule B Other Information (see instructions) <i>(continued)</i>	Yes	No
12 During the tax year, did the corporation have any non-shareholder debt that was canceled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt? If "Yes," enter the amount of principal reduction ▶ \$		X
13 During the tax year, was a qualified subchapter S subsidiary election terminated or revoked? If "Yes," see instructions		X
14 a Did the corporation make any payments in 2019 that would require it to file Form(s) 1099?	X	
b If "Yes," did the corporation file or will it file required Form(s) 1099?	X	
15 Is the corporation attaching Form 8996 to certify as a Qualified Opportunity Fund? If "Yes," enter the amount from Form 8996, line 14 ▶ \$		X

Schedule K Shareholders' Pro Rata Share Items		Total amount	
Income (Loss)	1 Ordinary business income (loss) (page 1, line 21)	1	248,935.
	2 Net rental real estate income (loss) (attach Form 8825)	2	
	3 a Other gross rental income (loss) 3a		
	b Expenses from other rental activities (attach statement) 3b		
	c Other net rental income (loss). Subtract line 3b from line 3a. 3c		
	4 Interest income STMT. 2. 4		2.
	5 Dividends: a Ordinary dividends 5a		
	b Qualified dividends 5b		
	6 Royalties 6		
	7 Net short-term capital gain (loss) (attach Schedule D (Form 1120-S)). 7		
Income (Loss)	8 a Net long-term capital gain (loss) (attach Schedule D (Form 1120-S)) 8a		
	b Collectibles (28%) gain (loss). 8b		
	c Unrecaptured section 1250 gain (attach statement). 8c		
	9 Net section 1231 gain (loss) (attach Form 4797) 9		
	10 Other income (loss) (see instructions). Type ▶ 10		
Deductions	11 Section 179 deduction (attach Form 4562). 11		
	12 a Charitable contributions STMT. 2. 12a		1,386.
	b Investment interest expense 12b		
	c Section 59(e)(2) expenditures (1) Type ▶ (2) Amount ▶ 12c(2)		
	d Other deductions (see instructions) Type ▶ 12d		
Credits	13 a Low-income housing credit (section 42(j)(5)) 13a		
	b Low-income housing credit (other) 13b		
	c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468, if applicable) 13c		
	d Other rental real estate credits (see instructions) Type ▶ 13d		
	e Other rental credits (see instructions). Type ▶ 13e		
	f Biofuel producer credit (attach Form 6478) 13f		
	g Other credits (see instructions). Type ▶ 13g		
Foreign Transactions	14 a Name of country or U.S. possession ▶ 14a		
	b Gross income from all sources 14b		
	c Gross income sourced at shareholder level 14c		
	Foreign gross income sourced at corporate level		
	d Reserved for future use 14d		
	e Foreign branch category. 14e		
	f Passive category. 14f		
	g General category 14g		
	h Other (attach statement). 14h		
	Deductions allocated and apportioned at shareholder level		
	i Interest expense. 14i		
	j Other 14j		
	Deductions allocated and apportioned at corporate level to foreign source income		
	k Reserved for future use 14k		
	l Foreign branch category. 14l		
	m Passive category 14m		
	n General category 14n		
	o Other (attach statement). 14o		
Other information			
p Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued ▶ 14p			
q Reduction in taxes available for credit (attach statement) 14q			
r Other foreign tax information (attach statement)			

TEXAS ENERGY OPTIONS INC

Form 1120-S (2019)

Page **4**

Schedule K Shareholders' Pro Rata Share Items <i>(continued)</i>		Total amount	
Alternative Minimum Tax (AMT) Items	15a Post-1986 depreciation adjustment	15a	
	b Adjusted gain or loss	15b	
	c Depletion (other than oil and gas)	15c	
	d Oil, gas, and geothermal properties - gross income	15d	
	e Oil, gas, and geothermal properties - deductions	15e	
	f Other AMT items (attach statement)	15f	
Items Affecting Shareholder Basis	16a Tax-exempt interest income	16a	
	b Other tax-exempt income	16b	
	c Nondeductible expenses STMT. 3.	16c	11,763.
	d Distributions (attach statement if required) (see instructions) STMT. 3.	16d	240,062.
	e Repayment of loans from shareholders	16e	
Other Information	17a Investment income	17a	2.
	b Investment expenses	17b	
	c Dividend distributions paid from accumulated earnings and profits	17c	
	d Other items and amounts (attach statement) STMT 3		
Reconciliation	18 Income (loss) reconciliation. Combine the amounts on lines 1 through 10 in the far right column. From the result, subtract the sum of the amounts on lines 11 through 12d and 14p . . .	18	247,551.

Schedule L Balance Sheets per Books		Beginning of tax year		End of tax year	
Assets		(a)	(b)	(c)	(d)
1	Cash		35,113.		58,022.
2a	Trade notes and accounts receivable				
b	Less allowance for bad debts	()		()	
3	Inventories				
4	U.S. government obligations				
5	Tax-exempt securities (see instructions)				
6	Other current assets (attach statement)				
7	Loans to shareholders				
8	Mortgage and real estate loans				
9	Other investments (attach statement)				
10a	Buildings and other depreciable assets	1,990.		1,990.	
b	Less accumulated depreciation	(1,990.)		(1,990.)	
11a	Depletable assets				
b	Less accumulated depletion	()		()	
12	Land (net of any amortization)				
13a	Intangible assets (amortizable only)	325.		325.	
b	Less accumulated amortization	(325.)		(325.)	
14	Other assets (attach statement)				
15	Total assets		35,113.		58,022.
Liabilities and Shareholders' Equity					
16	Accounts payable				
17	Mortgages, notes, bonds payable in less than 1 year				
18	Other current liabilities (attach statement)	STMT 4	24,816.		51,998.
19	Loans from shareholders				
20	Mortgages, notes, bonds payable in 1 year or more				
21	Other liabilities (attach statement)				
22	Capital stock		1,000.		1,000.
23	Additional paid-in capital		3,435.		3,435.
24	Retained earnings		5,862.		1,589.
25	Adjustments to shareholders' equity (attach statement)				
26	Less cost of treasury stock	()		()	
27	Total liabilities and shareholders' equity.		35,113.		58,022.

Form **1120-S** (2019)

Schedule M-1**Reconciliation of Income (Loss) per Books With Income (Loss) per Return****Note:** The corporation may be required to file Schedule M-3. See instructions.

1 Net income (loss) per books	235,788.	5 Income recorded on books this year not included on Schedule K, lines 1 through 10 (itemize):	
2 Income included on Schedule K, lines 1, 2, 3c, 4, 5a, 6, 7, 8a, 9, and 10, not recorded on books this year (itemize) _____		a Tax-exempt interest \$ _____	
3 Expenses recorded on books this year not included on Schedule K, lines 1 through 12 and 14p (itemize):		6 Deductions included on Schedule K, lines 1 through 12 and 14p, not charged against book income this year (itemize):	
a Depreciation \$ _____		a Depreciation \$ _____	
b Travel and entertainment \$ _____	6,442.	7 Add lines 5 and 6	
SEE STATEMENT 5	5,321.	8 Income (loss) (Schedule K, line 18).	
4 Add lines 1 through 3	247,551.	Subtract line 7 from line 4	247,551.

Schedule M-2**Analysis of Accumulated Adjustments Account, Shareholders' Undistributed Taxable Income Previously Taxed, Accumulated Earnings and Profits, and Other Adjustments Account**
(see instructions)

	(a) Accumulated adjustments account	(b) Shareholders' undistributed taxable income previously taxed	(c) Accumulated earnings and profits	(d) Other adjustments account
1 Balance at beginning of tax year	5,862.			
2 Ordinary income from page 1, line 21	248,935.			
3 Other additions . SEE. STATEMENT. 5.	3.			
4 Loss from page 1, line 21	()			
5 Other reductions . SEE. STATEMENT. 5.	(13,149)			()
6 Combine lines 1 through 5	241,651.			
7 Distributions	240,062.			
8 Balance at end of tax year. Subtract line 7 from line 6	1,589.			

Compensation of Officers

OMB No. 1545-0123

▶ Attach to Form 1120, 1120-C, 1120-F, 1120-REIT, 1120-RIC, or 1120S.

► Information about Form 1125-E and its separate instructions is at www.irs.gov/form1125e.

Name _____

Employer identification number	
--------------------------------	--

TEXAS ENERGY OPTIONS INC

Note: Complete Form 1125-E only if total receipts are \$500,000 or more. See instructions for definition of total receipts.

(a) Name of officer	(b) Social security number (see instructions)	(c) Percent of time devoted to business	Percent of stock owned		(f) Amount of compensation
			(d) Common	(e) Preferred	
1					
JAY REEVES FERRY		100.000 %	100.000 %	%	126,189.
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
2 Total compensation of officers				2	126,189.
3 Compensation of officers claimed on Form 1125-A or elsewhere on return				3	
4 Subtract line 3 from line 2. Enter the result here and on Form 1120, page 1, line 12 or the appropriate line of your tax return				4	126,189

For Paperwork Reduction Act Notice, see separate instructions.

Form **1125-E** (Rev. 10-2016)

2019 Depreciation

[illegible]

*Assets Retired

2019 Depreciation

[illegible]

*Assets Retired

94-3417647

FORM 1120S, PAGE 1 DETAIL
=====LINE 19 - SUMMARY OF TRAVEL AND MEALS

AMOUNTS SUBJECT TO 50% LIMITATION

GROSS MEALS	9,884.
LESS 50% LIMITATION (TO SCH M-1 & M-2)	6,442.

NET MEALS TO OTHER DEDUCTIONS	4,942.

TOTAL LINE 19 - TRAVEL AND MEALS

4,942.
=====LINE 19 - OTHER DEDUCTIONS

TRAVEL AND MEALS	4,942.
INSURANCE - OTHER	2,291.
LEGAL AND ACCOUNTING	4,150.
REFERRAL FEE	4,603.
DUES & SUBSCRIPTIONS	2,695.
STORAGE	6,574.
MISCELLANEOUS	1,058.
OFFICE EXPENSES	217.
OFFICE SUPPLIES	10,250.
EQUIPMENT LEASE	249.
POSTAGE	26.
UTILITIES	2,358.
TELEPHONE & FAX	7,024.
INTERNET	3,303.
MEETING EXPENSE	8,539.
TRAVEL	9,825.
CONTRACT LABOR	27,603.
COMPUTER LEASE	669.
BANK FEES	115.
TOLLS & PARKING	747.
AUTOMOBILE EXPENSES	6,147.
COMMISSIONS	14,897.

TOTAL

118,282.
=====

FORM 1120S, PAGE 3 DETAIL
=====

SCH K, LINE 4 - INTEREST INCOME

INTEREST INCOME	2.

TOTAL	2.
	=====

SCH K, LINE 12A - CONTRIBUTIONS

CONTRIBUTIONS SUBJECT TO 60% LIMITATION	

CHARITABLE CONTRIBUTIONS	1,386.

SUBTOTAL	1,386.

TOTAL	1,386.
	=====

FORM 1120S, PAGE 4 DETAIL - SCH K

SCH K, LINE 16C - NONDEDUCTIBLE EXPENSES

50% DISALLOWED MEALS	6,442.
NONDEDUCTIBLE OFFICER LIFE INSURANCE	5,321.

TOTAL	11,763.
	=====

SCH K, LINE 16D - DISTRIBUTION SUMMARY

CASH DISTRIBUTION	
	240,062.

TOTAL DISTRIBUTIONS	240,062.
	=====

SCH K, LINE 17D - OTHER ITEMS AND AMOUNTS

SECTION 199A - GENERAL TRADE OR BUSINESS NOT SSTB	
ORDINARY INCOME (LOSS)	248,935.
199A CHARITABLE CONTRIBUTION	1,386.
199A W-2 WAGES	138,189.
199A UBI OF QUALIFIED PROPERTY	1,990.

FORM 1120S, PAGE 4 DETAIL - SCH L

=====

	BEGINNING	ENDING
	-----	-----
LINE 18 - OTHER CURRENT LIABILITIES		

PAYROLL LIABILITIES	6,816.	25,098.
ACCRUED SEP CONTRIBUTION	18,000.	26,900.
	-----	-----
TOTAL	24,816.	51,998.
	=====	=====

FORM 1120S, PAGE 5 DETAIL
=====

SCH M-1, LINE 3 - EXPENSES ON BOOKS NOT IN RETURN

NONDEDUCTIBLE OFFICER LIFE INSURANCE	5,321.

TOTAL	5,321.
	=====

SCH M-2, LINE 3 - OTHER ADDITIONS - AAA

PORTFOLIO INTEREST INCOME	2.
ROUNDING	1.

TOTAL	3.
	=====

SCH M-2, LINE 5 - OTHER REDUCTIONS - AAA

CHARITABLE CONTRIBUTIONS	1,386.
NONDEDUCTIBLE OFFICER LIFE INSURANCE	5,321.
50% DISALLOWED MEALS	6,442.

TOTAL	13,149.
	=====

TEXAS ENERGY OPTIONS INC

SHAREHOLDER SUMMARY

=====

SH. #	SHAREHOLDER NAME	OWNERSHIP	
		BEGINNING SHARES	PERCENTAGE
-----	-----	-----	-----
1	JAY R FERRY	1000.0000	100.000000000000

Schedule K-1
(Form 1120-S)Department of the Treasury
Internal Revenue Service

2019

For calendar year 2019, or tax year

beginning

ending

Shareholder's Share of Income, Deductions,
Credits, etc.

► See back of form and separate instructions.

Part I Information About the Corporation

A Corporation's employer identification number

B Corporation's name, address, city, state, and ZIP code

TEXAS ENERGY OPTIONS INC
3350 HIGHWAY 6 SOUTH SUITE 404
SUGAR LAND, TX 77478

C IRS Center where corporation filed return

EFILE

Part II Information About the Shareholder

D Shareholder's identifying number

E Shareholder's name, address, city, state, and ZIP code

JAY R FERRY

3330 NORTH BRIARPARK LANE
SUGAR LAND, TX 77479F Shareholder's percentage of stock
ownership for tax year. 100.000000000000 %

Final K-1

Amended K-1

671119
OMB No. 1545-0123Part III Shareholder's Share of Current Year Income,
Deductions, Credits, and Other Items

1	Ordinary business income (loss)	13	Credits
	248,935.		
2	Net rental real estate income (loss)		
3	Other net rental income (loss)		
4	Interest income		
*	2.		
5a	Ordinary dividends		
5b	Qualified dividends	14	Foreign transactions
6	Royalties		
7	Net short-term capital gain (loss)		
8a	Net long-term capital gain (loss)		
8b	Collectibles (28%) gain (loss)		
8c	Unrecaptured section 1250 gain		
9	Net section 1231 gain (loss)		
10	Other income (loss)	15	Alternative minimum tax (AMT) items
11	Section 179 deduction	16	Items affecting shareholder basis
		C*	11,763.
12	Other deductions		
A*	1,386.	D	240,062.
		17	Other information
		A	2.
		V*	STMT
18	More than one activity for at-risk purposes*		
19	More than one activity for passive activity purposes*		

* See attached statement for additional information.

For IRS Use Only

FORM 1120S, SCHEDULE K-1, S/H #1 JAY R FERRY
=====

SCH K-1, LINE 4 - INTEREST INCOME

INTEREST INCOME	2.

TOTAL	2.
	=====

SCH K-1, LINE 12 - OTHER DEDUCTIONS

CODE A - CASH CONTRIBUTIONS (60%)	

CHARITABLE CONTRIBUTIONS	1,386.

TOTAL	1,386.
	=====

SCH K-1, LINE 16 - ITEMS AFFECTING SHAREHOLDER BASIS

CODE C - NONDEDUCTIBLE EXPENSES	

50% DISALLOWED MEALS	6,442.
NONDEDUCTIBLE OFFICER LIFE INSURANCE	5,321.

TOTAL	11,763.
	=====

SCH K, LINE 16D - CASH DISTRIBUTIONS

TOTAL CASH DISTRIBUTIONS	240,062.
--------------------------	----------

SECTION 163(J) - SUPPLEMENTAL INFORMATION

THE ENTITY WAS NOT SUBJECT TO 163(J)	
GROSS RECEIPTS (PRIOR YEAR(S) AVERAGE)	567,974.

FORM 1120S, SCHEDULE K-1, S/H #1 JAY R FERRY
=====

SECTION 163(J) - SUPPLEMENTAL INFORMATION (CONT'D)

ADJUSTED TAXABLE INCOME 255,609.

BUSINESS INTEREST EXPENSE 8,058.

Statement A - QBI Pass-through Entity Reporting

Corporation's/Partnership's name: TEXAS ENERGY OPTIONS INC				Corporation's/Partnership's EIN: !					
Shareholder's/Partner's name: JAY R FERRY		Shareholder's/Partner's identifying number:							
Shareholder's/Partner's share of:		TEXAS ENERGY OP							
		EIN:		EIN:		EIN:		EIN:	
		<input type="checkbox"/> PTP		<input type="checkbox"/> PTP		<input type="checkbox"/> PTP		<input type="checkbox"/> PTP	
		<input type="checkbox"/> Aggregated		<input type="checkbox"/> Aggregated		<input type="checkbox"/> Aggregated		<input type="checkbox"/> Aggregated	
		<input type="checkbox"/> SSTB		<input type="checkbox"/> SSTB		<input type="checkbox"/> SSTB		<input type="checkbox"/> SSTB	
QBI or qualified PTP items. subject to shareholder/partner- specific determinations:									
	Ordinary business income (loss)	248935							
	Rental income (loss)								
	Royalty income (loss)								
	Section 1231 gain (loss).								
	Other income (loss)								
	Section 179 deduction								
	Charitable contributions	1386							
	Other deductions								
W-2 wages		138189							
UBIA of qualified property		1990							
Section 199A dividends									

Worksheet for Figuring a Shareholder's Stock and Debt Basis**Part I - Shareholder Stock Basis**

1.	Stock basis at the beginning of the corporation's tax year	1.	<u>193,058</u>
2.	Basis from any capital contributions made or additional stock acquired during the tax year.	2.	<u> </u>
3a.	Ordinary business income (losses go on Part III).	3a.	<u>248,935</u>
b.	Net rental real estate income (losses go on Part III)	3b.	<u> </u>
c.	Other net rental income (losses go on Part III)	3c.	<u> </u>
d.	Interest income	3d.	<u>2</u>
e.	Ordinary dividends	3e.	<u> </u>
f.	Royalties.	3f.	<u> </u>
g.	Net capital gains (losses go on Part III)	3g.	<u> </u>
h.	Net section 1231 gain (losses go on Part III).	3h.	<u> </u>
i.	Other income (losses go on Part III)	3i.	<u> </u>
j.	Excess depletion adjustment	3j.	<u> </u>
k.	Tax-exempt income	3k.	<u> </u>
l.	Recapture of business credits	3l.	<u> </u>
m.	Other items that increase stock basis	3m.	<u> </u>
4.	Add lines 3a through 3m	4.	<u>248,937</u>
5.	Stock basis before distributions. Add lines 1, 2, and 4	5.	<u>441,995</u>
6.	Distributions (excluding dividend distributions)	6.	<u>240,062</u>
Note. If line 6 is larger than line 5, subtract line 5 from line 6 and report the result as a capital gain on Form 8949 and Schedule D. See instructions.			
7.	Stock basis after distributions. Subtract line 6 from line 5. If the result is zero or less, enter -0-, skip lines 8 through 14, and enter -0- on line 15.	7.	<u>201,933</u>
8a.	Nondeductible expenses	8a.	<u>11,763</u>
b.	Depletion for oil and gas	8b.	<u> </u>
9.	Add lines 8a and 8b.	9.	<u>11,763</u>
10.	Stock basis before loss and deduction items. Subtract line 9 from line 7. If the result is zero or less, enter -0-, skip lines 11 through 14, and enter -0- on line 15	10.	<u>190,170</u>
11.	Allowable loss and deduction items. Enter the amount from Part III, line 13, column (c)	11.	<u>1,386</u>
12.	Debt basis restoration (see net increase in instructions for Part II, line 8)	12.	<u> </u>
13.	Other items that decrease stock basis	13.	<u> </u>
14.	Add lines 11, 12, and 13	14.	<u>1,386</u>
15.	Stock basis at the end of the corporation's tax year. Subtract line 14 from line 10. If the result is zero or less, enter -0-	15.	<u>188,784</u>

Part III. Allowable Loss and Deduction Items

The corporate losses and other deduction items are limited to the sum of your stock and debt basis. When stock and debt basis is insufficient, and there is more than one type of loss or deduction item that reduces basis, the amounts allowed as a loss or deduction are allocated on a pro rata basis. See Regulations sections 1.1366-2(a)(4) and (5).

Loss and deductions in excess of basis are suspended and carried forward indefinitely and the character of the loss and deduction items is retained.

Part III shows the pro rata allocation and tracks any loss or deduction carryforward.

Column (a). Enter the loss and deduction amounts for each item as reported on your Schedule K-1.

Column (b). Enter any loss or deduction items disallowed due to basis limitations in prior years that were carried forward.

Column (c). If Part I, line 10, is zero, skip column (c).

If stock basis, as reported on Part I, line 10, is greater than the sum of column (a) and column (b), line 13, enter the sum of each line for column (a) plus column (b) in column (c). If stock basis, as reported on Part I, line 10, is less than the sum of column (a) and column (b), line 13, enter the pro rata amount on the corresponding line in column (c). The total allocation amount reported in column (c), line 13, can't exceed the amount reported on Part I, line 10.

Column (d). If Part II, line 14, is zero, skip column (d).

If column (c), line 13, is less than Part I, line 10, skip column (d).

If debt basis, as reported on Part II, line 14, is greater than column (a) plus column (b) minus column (c), line 13, enter column (a) plus column (b) minus column (c), in column (d) for each line item. If debt basis, as reported on Part II, line 14, is less than column (a) plus column (b) minus column (c), line 13, enter the pro rata amount on the corresponding line in column (d). The total allocation amount reported in column (d), line 13, can't exceed the amount reported on Part II, line 14.

The allowable losses and deductions from columns (c) and (d) should be reported on the appropriate areas of your return (subject to any additional limitations).

Column (e). If the sum of column (a) plus (b) exceeds the sum of column (c) plus (d), enter the excess in column (e) for each line item. If you disposed of all your stock, see Regulations section 1.1366-2(a)(6).

Part III - Allowable Loss and Deduction Items

		(a) Current year losses and deductions	(b) Carryover amounts (column (e)) from the previous year	(c) Allowable loss from stock basis	(d) Allowable loss from debt basis	(e) Carryover amounts
1.	Ordinary business loss					
2.	Net rental real estate loss					
3.	Other net rental loss					
4.	Net capital loss.					
5.	Net section 1231 loss					
6.	Other loss					
7.	Section 179 deductions					
8.	Charitable contributions	1,386.		1,386.		
9.	Investment interest expense					
10.	Section 59(e)(2) expenditures.					
11.	Other deductions.					
12.	Foreign taxes paid or accrued.					
13.	Total Loss. Combine lines 1 through 12 for each column. Enter the total loss in column (c) on line 11 of Part I and enter the total loss in column (d) on line 15 of Part II	1,386.		1,386.		

Texas Energy Options, Inc
Projected Profit & Loss
2021-2024

Cash Basis

	2021	2022	2023	2024
Income				
Consulting Revenue	\$ -	\$ 3,000	\$ 6,000	\$ 12,000
Gross Profit	\$ -	3,000	6,000	12,000
Expenses				
Taxes & Licenses	\$ 300	300	300	300
Total Expense	\$ 300	300	300	300
Net Ordinary Income	<u>\$ (300)</u>	<u>\$ 2,700</u>	<u>\$ 5,700</u>	<u>\$ 11,700</u>

**This foregoing document was electronically filed with the Public Utilities
Commission of Ohio Docketing Information System on**

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in

Case No(s). 17-2113-EL-AGG

Summary: In the Matter of the Application of Texas Energy Options Inc