



William T. Hawke
Kevin J. McKeon
Thomas J. Sniscak
Lillian Smith Harris
Scott T. Wyland
Todd S. Stewart

Craig R. Burgraff
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William E. Lehman
Tori L. Giesler

100 North Tenth Street, Harrisburg, PA 17101 Phone: 717.236.1300 Fax: 717.236.4841 www.hmslegal.com

April 6, 2010

VIA HAND DELIVERY

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street – Filing Room (2 North)
P.O. Box 3265
Harrisburg, PA 17105-3265

Re: Application of Prospect Resources, Inc.; Docket No. A-_____.

Dear Secretary McNulty:

Enclosed for filing with the Pennsylvania Public Utility Commission, on behalf of Prospect Resources, Inc., are an original and three (3) hard copies, as well as an electronic copy, of an application for approval to offer electricity services in the Commonwealth of Pennsylvania. Also enclosed is a check in the amount of \$350.00 to cover the filing fee.

Please contact me if you have any questions concerning this filing.

Sincerely,

Steven K. Haas
Counsel for Prospect Resources, Inc.

SKH/san
Enclosure

MAILING ADDRESS: P.O. BOX 1778 HARRISBURG, PA 17105

RECEIVED
2010 APR -6 PM 3:15
PA PUC
SECRETARY'S BUREAU

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Application of Prospect Resources, Inc. for approval to offer, render, furnish, or supply electricity or electric generation services as a broker/marketer engaged in the business of supplying electricity to the public in the Commonwealth of Pennsylvania.

To the Pennsylvania Public Utility Commission:

1. **IDENTITY OF THE APPLICANT:** The name, address, telephone number, and FAX number of the Applicant are:

Prospect Resources, Inc.
8170 McCormick Blvd., Suite 107
Skokie, IL 60076
Phone - (847) 673-1959
Fax - (847) 673-1490

Please identify any predecessor(s) of the Applicant and provide other names under which the Applicant has operated within the preceding five (5) years, including name, address, and telephone number.

None

2. a. **CONTACT PERSON:** The name, title, address, telephone number, and FAX number of the person to whom questions about this Application should be addressed are:

Dr. Yitzchak M. Shkop, President/CEO
8170 McCormick Blvd., Suite 107
Skokie, IL 60076
Phone - (847) 673-1959
Fax - (847) 673-1490

- b. **CONTACT PERSON-PENNSYLVANIA EMERGENCY MANAGEMENT AGENCY:** The name, title, address telephone number and FAX number of the person with whom contact should be made by PEMA:

Dr. Yitzchak M. Shkop, President/CEO
8170 McCormick Blvd., Suite 107
Skokie, IL 60076
Phone - (847) 673-1959
Fax - (847) 673-1490

3. a. **ATTORNEY:** If applicable, the name, address, telephone number, and FAX number of the Applicant's attorney are:

Todd S. Stewart
Steven K. Haas
Hawke McKeon & Sniscak, LLP
100 North Tenth Street
Harrisburg, PA 17101
Phone - (717) 236-1300
Fax - (717) 236-4841

SECRETARY'S BUREAU
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b. REGISTERED AGENT: If the Applicant does not maintain a principal office in the Commonwealth, the required name, address, telephone number and FAX number of the Applicant's Registered Agent in the Commonwealth are:

PennCorp Service Group, Inc
600 N. 2nd Street, Suite 401
Harrisburg, PA 17108
Phone: (800) 544-9050; Fax: (717) 238-8232

4. **FICTITIOUS NAME:** (select and complete appropriate statement)

The Applicant will be using a fictitious name or doing business as ("d/b/a"):

Attach to the Application a copy of the Applicant's filing with the Commonwealth's Department of State pursuant to 54 Pa. C.S. §311, Form PA-953.

OR

The Applicant will not be using a fictitious name.

5. **BUSINESS ENTITY AND DEPARTMENT OF STATE FILINGS:** (select and complete appropriate statement)

The Applicant is a sole proprietor.

If the Applicant is located outside the Commonwealth, provide proof of compliance with 15 Pa. C.S. §4124 relating to Department of State filing requirements.

OR

The Applicant is a:

- domestic general partnership (*)
- domestic limited partnership (15 Pa. C.S. §8511)
- foreign general or limited partnership (15 Pa. C.S. §4124)
- domestic limited liability partnership (15 Pa. C.S. §8201)
- foreign limited liability general partnership (15 Pa. C.S. §8211)
- foreign limited liability limited partnership (15 Pa. C.S. §8211)

Provide proof of compliance with appropriate Department of State filing requirements as indicated above.

Give name, d/b/a, and address of partners. If any partner is not an individual, identify the business nature of the partner entity and identify its partners or officers.

* If a corporate partner in the Applicant's domestic partnership is not domiciled in Pennsylvania, attach a copy of the Applicant's Department of State filing pursuant to 15 Pa. C.S. §4124.

OR

The Applicant is a :

- domestic corporation (none)
- foreign corporation (15 Pa. C.S. §4124)
- domestic limited liability company (15 Pa. C.S. §8913)
- foreign limited liability company (15 Pa. C.S. §8981)
- Other _____

Provide proof of compliance with appropriate Department of State filing requirements as indicated above. Additionally, provide a copy of the Applicant's Articles of Incorporation.

See Attachment No. 1.

Give name and address of officers.

Dr. Yitzhak M. Shkop, President/CEO
Hal Pollack, Executive Vice President of Business Development

The Applicant is incorporated in the state of Illinois.

6. **AFFILIATES AND PREDECESSORS WITHIN PENNSYLVANIA:** (select and complete appropriate statement)

Affiliate(s) of the Applicant doing business in Pennsylvania are:

Give name and address of the affiliate(s) and state whether the affiliate(s) are jurisdictional public utilities.

If the Applicant or an affiliate has a predecessor who has done business within Pennsylvania, give name and address of the predecessor(s) and state whether the predecessor(s) were jurisdictional public utilities.

OR

The Applicant has no affiliates doing business in Pennsylvania or predecessors which have done business in Pennsylvania.

7. **APPLICANT'S PRESENT OPERATIONS:** (select and complete the appropriate statement)

The Applicant is presently doing business in Pennsylvania as a

- vertically-integrated provider of generation, transmission, and distribution services.
- municipal electric corporation providing service outside its municipal limits.
- electric cooperative
- local gas distribution company
- nonintegrated provider of electric generation, transmission or distribution services.
- Other. (Identify the nature of service being rendered.)

or

The Applicant is not presently doing business in Pennsylvania.

8. **APPLICANT'S PROPOSED OPERATIONS:** The Applicant proposes to operate as a:

- Generator and supplier of electric power.
- Municipal generator and supplier of electric power.
- Electric Cooperative and supplier of electric power
- Broker/Marketer engaged in the business of supplying electricity.
- Aggregator engaged in the business of supplying electricity
- Other (Describe):

9. **PROPOSED SERVICES:** Generally describe the electric services or the electric generation services which the Applicant proposes to offer.

To provide broker services, acting on behalf of customers in the sale and purchase of electricity. At no time will Prospect Resources, Inc. take title to electricity or receive payments from end user customers for electricity.

10. **SERVICE AREA:** Generally describe the geographic area in which Applicant proposes to offer services.

Statewide.

11. **CUSTOMERS:** Applicant proposes to initially provide services to:

- Residential Customers
- Commercial Customers - (25 kW and Under)
- Commercial Customers - (Over 25 kW)
- Industrial Customers
- Governmental Customers
- All of above
- Other (Describe):

12. **FERC FILING:** Applicant has:

- Filed an Application with the Federal Energy Regulatory Commission to be a Power Marketer.
- Received approval from FERC to be a Power Marketer at Docket or Case Number _____.
- Not applicable

13. **START DATE:** The Applicant proposes to begin delivering services upon approval of Commission application.

14. **NOTICE:** Pursuant to Section 5.14 of the Commission's Regulations, 52 Pa. Code §5.14, serve a copy of the signed and verified Application with attachments on the following:

Irwin A. Popowsky
Office of Consumer Advocate
5th Floor, Forum Place
555 Walnut Street
Harrisburg, PA 17120

Office of the Attorney General
Bureau of Consumer Protection
Strawberry Square, 14th Floor
Harrisburg, PA 17120

William R. Lloyd, Jr.
Commerce Building, Suite 1102
Small Business Advocate
300 North Second Street
Harrisburg, PA 17101

Commonwealth of Pennsylvania
Department of Revenue
Bureau of Compliance
Harrisburg, PA 17128-0946

Any of the following Electric Distribution Companies through whose transmission and distribution facilities the applicant intends to supply customers:

Gary A. Jack, Assistant General Counsel
Duquesne Light Company
411 Seventh Street, MD 16-4
Pittsburgh, PA 15219

John P. Litz, Division Controller
UGI Utilities, Inc.
Electric Division
400 Stewart Road
P.O. Box 3200
Hanover Industrial Estates
Wilkes-Barre, PA 18773-3200

(Metropolitan Edison Company or Pennsylvania Electric Company)
Blaine W. Uplinger, Jr., Director of Governmental and Regulatory Affairs
FirstEnergy
100 APC Building
800 North third Street
Harrisburg, PA 17102-2025

Paul E. Russell, Associate General Counsel
PPL
Two North Ninth Street
Allentown, PA 18108-1179

Carlo L. Ciabattoni, Manage Energy Acquisition
PECO Energy Company
2301 Market Street
Philadelphia, PA 19101-8699
215.841.4210
carlo.ciabattoni@exeloncorp.com

Stephen L. Feld, Attorney
Pennsylvania Power Company
First Energy Corporation
76 South Main Street
Akron, OH 44308

John L. Munsch, Attorney
Allegheny Power
800 Cabin Hill Drive
Greensburg, PA 15601-1689

Pursuant to Sections 1.57 and 1.58 of the Commission's Regulations, 52 Pa. Code §§1.57 and 1.58, attach Proof of Service of the Application and attachments upon the above named parties. Upon review of the Application, further notice may be required pursuant to Section 5.14 of the Commission's Regulations, 52 Pa. Code §5.14.

15. **TAXATION:** Complete the TAX CERTIFICATION STATEMENT attached as Appendix B to this application.

16. **COMPLIANCE:** State specifically whether the Applicant, an affiliate, a predecessor of either, or a person identified in this Application has been convicted of a crime involving fraud or similar activity. Identify all proceedings, by name, subject and citation, dealing with business operations, in the last five (5) years, whether before an administrative body or in a judicial forum, in which the Applicant, an affiliate, a predecessor of either, or a person identified herein has been a defendant or a respondent. Provide a statement as to the resolution or present status of any such proceedings.

NO

17. **STANDARDS, BILLING PRACTICES, TERMS AND CONDITIONS OF PROVIDING SERVICE AND CONSUMER EDUCATION:** Electricity should be priced in clearly stated terms to the extent possible. Common definitions should be used. All consumer contracts or sales agreements should be written in plain language with any exclusions, exceptions, add-ons, package offers, limited time offers or other deadlines prominently communicated. Penalties and procedures for ending contracts should be clearly communicated.

a. **Contacts for Consumer Service and Complaints:** Provide the name, title, address, telephone number and FAX number of the person and an alternate person responsible for addressing customer complaints. These persons will ordinarily be the initial point(s) of contact for resolving complaints filed with Applicant, the Electric Distribution Company, the Pennsylvania Public Utility Commission or other agencies.

Dr. Yitzchak M. Shkop, President/CEO, 8170 McCormack Blvd., Suite 107, Skokie, IL 60076, Phone: (847) 673-1959; Fax: (847) 673-1490.

Hal Pollack, VP Business Development, 8170 McCormack Blvd., Suite 107, Skokie, IL 60076, Phone: (847) 673-1959; Fax: (847) 673-1490.

Provide a copy of all standard forms or contracts that you use, or propose to use, for service provided to residential customers.

Not applicable.

c. If proposing to serve Residential and/or Small Commercial (under 25 kW) customers, provide a disclosure statement. A sample disclosure statement is provided as Appendix C to this Application.

Not applicable. As noted in this application, the Applicant provides only broker/marketer services. It does not, at any time, take title to electricity. It does not set the rates that end user customers pay, nor does it establish, maintain or enforce terms and conditions of service.

18. **BONDING:** In accordance with 66 PA. C.S. Section 2809(C) (1)(I), the Applicant is:

- Furnishing a copy of initial bond, letter of credit or proof of bonding to the Commission in the amount of \$250,000.
- Furnishing proof of other initial security for Commission approval, to ensure financial responsibility.
- Filing for a modification to the \$250,000 and furnishing a copy of an initial bond, letter of credit or proof of bonding to the Commission for the amount of \$10,000.00. Applicant is required to provide information supporting an amount less than \$250,000.

The Applicant is a broker/marketer that will not be responsible for gross receipts tax, nor will it, at any time, take title to electricity or receive payments from end user customers. The Applicant requests permission to furnish a bond in the amount of \$10,000.00. A copy of the proposed bond is attached.

At the conclusion of Applicant's first year of operation it is the intention of the Commission to tie security bonds to a percentage of Applicant's gross receipts resulting from the sale of generated electricity consumed in Pennsylvania. The amount of the security bond will be reviewed and adjusted on an annual basis.

19. **FINANCIAL FITNESS:**

A. Applicant shall provide sufficient information to demonstrate financial fitness commensurate with the service proposed to be provided. Examples of such information which may be submitted include the following:

- Actual (or proposed) organizational structure including parent, affiliated or subsidiary companies.

See Attachment No. 2.

- Published parent company financial and credit information.
- Applicant's balance sheet and income statement for the most recent fiscal year. Published financial information such as 10K's and 10Q's may be provided, if available.

See Attachment No. 3.

- Evidence of Applicant's credit rating. Applicant may provide a copy of its Dun and Bradstreet Credit Report and Robert Morris and Associates financial form or other independent financial service reports.
- A description of the types and amounts of insurance carried by Applicant which are specifically intended to provide for or support its financial fitness to perform its obligations as a licensee.
- Audited financial statements
- Such other information that demonstrates Applicant's financial fitness.

B. Applicant must provide the following information:

- Identify Applicant's chief officers including names and their professional resumes.

See Attachment No. 2.

- Provide the name, title, address, telephone number and FAX number of Applicant's custodian for its accounting records.

Dr. Yitzhak M. Shkop, 8170 McCormack Blvd., Suite 107, Skokie, IL 60076, Phone: (847) 673-1959; Fax: (847) 673-1490.

20. **TECHNICAL FITNESS:** To ensure that the present quality and availability of service provided by electric utilities does not deteriorate, the Applicant shall provide sufficient information to demonstrate technical fitness commensurate with the service proposed to be provided. Examples of such information which may be submitted include the following:

- The identity of the Applicant's officers directly responsible for operations, including names and their professional resumes.

See Attachment No. 2.

- Proposed staffing and employee training commitments
- Business plans

- Documentation of membership in ECAR, MAAC or other regional reliability councils shall be submitted if applicable to the scope and nature of the applicant's proposed services.
- An affidavit stating that you will adhere to the reliability protocols of the North American Electric Reliability Council, the appropriate regional reliability council(s), and the Commission, and that you agree to comply with the operational requirements of the control area(s) within which you provide retail service.

21. **TRANSFER OF LICENSE:** The Applicant understands that if it plans to transfer its license to another entity, it is required to request authority from the Commission for permission prior to transferring the license. See 66 Pa. C.S. Section 2809(D). Transferee will be required to file the appropriate licensing application.

22. **ASSESSMENT:** The Applicant acknowledges that Title 66, Chapter 5, Section 510 grants to the Commission the right to make assessments to recover regulatory expenses and that as a supplier of electricity or an electric generation supplier it will be assessed under that section of the Pennsylvania Code. The Applicant also acknowledges that the continuation of its license as a supplier of electricity or an electric generation supplier will be dependent upon the payment of all prior year's assessments.

23. **UNIFORM STANDARDS OF CONDUCT AND DISCLOSURE:** As a condition of receiving a license, Applicant agrees to conform to any Uniform Standards of Conduct and Disclosure as set forth by the Commission.

24. **REPORTING REQUIREMENTS:** Applicant agrees to provide the following information to the Commission or the Department of Revenue, as appropriate:

- Reports of Gross Receipts: Applicant shall report its Pennsylvania intrastate gross receipts to the Commission on a quarterly and year to date basis no later than 30 days following the end of the quarter.
- The Treasurer or other appropriate officer of Applicant shall transmit to the Department of Revenue by March 15, an annual report, and under oath or affirmation, of the amount of gross receipts received by Applicant during the prior calendar year.
- Applicant shall report to the Commission the following information on an annual basis:
 - the percentages of total electricity supplied by each fuel source

Applicant will be required to meet periodic reporting requirements as may be issued by the Commission to fulfill the Commission's duty under Chapter 28 pertaining to reliability and to inform the Governor and Legislature of the progress of the transition to a fully competitive electric market.

25. **FURTHER DEVELOPMENTS:** Applicant is under a continuing obligation to amend its application if substantial changes occur in the information upon which the Commission relied in approving the original filing.

26. **FALSIFICATION:** The Applicant understands that the making of false statement(s) herein may be grounds for denying the Application or, if later discovered, for revoking any authority granted pursuant to the Application. This Application is subject to 18 Pa. C.S. §§4903 and 4904, relating to perjury and falsification in official matters.

27. **FEE:** The Applicant has enclosed the required initial licensing fee of \$350.00 payable to the Commonwealth of Pennsylvania.

Applicant: Prospect Resources, Inc.

By: 
Yitzchak M. Shkop

Title: President/CEO

AFFIDAVIT

State of Illinois :

County of Cook :

Dr. Yitzchak M. Shkop, Affiant, being duly sworn according to law, deposes and says that:

He is the President/CEO of Prospect Resources, Inc.;

That he is authorized to and does make this affidavit for said Applicant;

That Prospect Resources, Inc., the Applicant herein, acknowledges that it may have obligations pursuant to this Application consistent with the Public Utility Code of the Commonwealth of Pennsylvania, Title 66 of the Pennsylvania Consolidated Statutes; or with other applicable statutes or regulations including Emergency Orders which may be issued verbally or in writing during any emergency situations that may unexpectedly develop from time to time in the course of doing business in Pennsylvania.

That Prospect Resources, Inc., the Applicant herein, asserts that it possesses the requisite technical, managerial, and financial fitness to render electric service within the Commonwealth of Pennsylvania and that the Applicant will abide by all applicable federal and state laws and regulations and by the decisions of the Pennsylvania Public Utility Commission.

That Prospect Resources, Inc., the Applicant herein, certifies to the Commission that it is subject to, will pay, and in the past has paid, the full amount of taxes imposed by Articles II and XI of the Act of March 4, 1971 (P.L. 6, No. 2), known as the Tax Reform Act of 1971 and any tax imposed by Chapter 28 of Title 66. The Applicant acknowledges that failure to pay such taxes or otherwise comply with the taxation requirements of Chapter 28, shall be cause for the Commission to revoke the license of the Applicant. The Applicant acknowledges that it shall report to the Commission its jurisdictional Gross Receipts and power sales for ultimate consumption, for the previous year or as otherwise required by the Commission. The Applicant also acknowledges that it is subject to 66 Pa. C.S. §506 (relating to the inspection of facilities and records).

As provided by 66 Pa. C.S. §2810 (C)(6)(iv), Applicant, by filing of this application waives confidentiality with respect to its state tax information in the possession of the Department of Revenue, regardless of the source of the information, and shall consent to the Department of Revenue providing that information to the Pennsylvania Public Utility Commission.

That Prospect Resources, Inc., the Applicant herein, acknowledges that it has a statutory obligation to conform with 66 Pa. C.S. §506, §2807 (C), §2807(D)(2), §2809(B) and the standards and billing practices of 52 PA. Code Chapter 56.

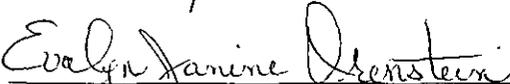
That the Applicant agrees to provide all consumer education materials and information in a timely manner as requested by the Bureau of Public Liaison or other Commission bureaus. Materials and information requested may be analyzed by the Commission to meet obligations under applicable sections of the law.

That the facts above set forth are true and correct to the best of his knowledge, information, and belief.

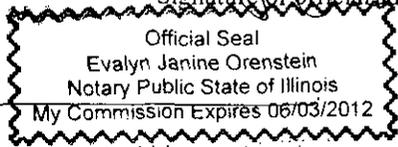


Signature of Affiant

Sworn and subscribed before me this 1st day of April, 2010.



Signature of official administering oath

My commission expires _____


AFFIDAVIT

State of Illinois :

County of Cook :

Dr. Yitzchak M. Shkop, Affiant, being duly sworn according to law, deposes and says that:

He is the President/CEO of Prospect Resources, Inc.;

That he is authorized to and does make this affidavit for said Applicant;

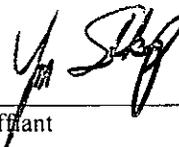
That the Applicant herein Prospect Resources, Inc. has the burden of producing information and supporting documentation demonstrating its technical and financial fitness to be licensed as an electric generation supplier pursuant to 66 Pa. C.S. § 2809 (B).

That the Applicant herein Prospect Resources, Inc. has answered the questions on the application correctly, truthfully, and completely and provided supporting documentation as required.

That the Applicant herein Prospect Resources, Inc. acknowledges that it is under a duty to update information provided in answer to questions on this application and contained in supporting documents.

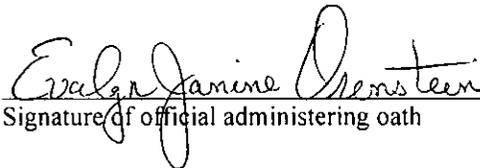
That the Applicant herein Prospect Resources, Inc. acknowledges that it is under a duty to supplement information provided in answer to questions on this application and contained in supporting documents as requested by the Commission.

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



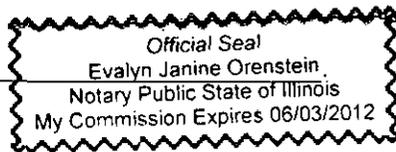
Signature of Affiant

Sworn and subscribed before me this 1st day of April, 2010.



Signature of official administering oath

My commission expires _____



FORM BCA 2.10 (rev. Dec. 2003)
ARTICLES OF INCORPORATION
 Business Corporation Act

Jesse White, Secretary of State
 Department of Business Services
 Springfield, IL 62766
 Telephone (217) 782-6522
 (217) 782-6961
<http://www.cyberdriveillinois.com>



Doc#: 0420427150
 Eugene "Gene" Moore Fee: \$26.60
 Cook County Recorder of Deeds
 Date: 07/22/2004 09:55 PM Pg: 1 of 2



cashier's
 order
 & check

Jesse White Secretary of State

payable to the Secretary of State.
SEE NOTE 1 TO DETERMINE FEES!

DATE FILED: 7/16/2004

63642037

Filing Fee: \$150.00 Franchise Tax \$ 25.00 Total \$ 175.00 File # 63642037 Approved: **PHS**

Submit in duplicate Type or Print clearly in block ink Do not write above this line

1. **CORPORATE NAME:** Prospect Resources, Inc.

(The corporate name must contain the word "corporation", "company," "incorporated," "limited" or an abbreviation thereof.)

2. Initial Registered Agent: Elisha M. Prero
First Name Middle Initial Last name
 Initial Registered Office: 130 East Randolph Street, Suite 3800
Number Street Suite # (A P.O. BOX ALONE IS NOT ACCEPTABLE)
Chicago IL 60601 Cook
City ZIP Code County

3. Purpose or purposes for which the corporation is organized:
 (If not sufficient space to cover this point, add one or more sheets of this size.)

To engage in the transaction of any or all lawful purposes for which corporations may be incorporated under the Illinois Business Corporation Act of 1983, as amended.

4. Paragraph 1: Authorized Shares, Issued Shares and Consideration Received:

Class	Number of Shares Authorized	Number of Shares Proposed to be Issued	Consideration to be Received Therefor
Common	10,000	100	\$ 100.00
No par Value			
TOTAL = \$			

Paragraph 2: The preferences, qualifications, limitations, restrictions and special or relative rights in respect of the shares of each class are:
 (If not sufficient space to cover this point, add one or more sheets of this size.)

C-182.23

(over)

5. **OPTIONAL:** (a) Number of directors constituting the initial board of directors of the corporation: _____
 (b) Names and addresses of the persons who are to serve as directors until the first annual meeting of shareholders or until their successors are elected and qualify:

Name	Address	City, State, ZIP

6. **OPTIONAL:** (a) It is estimated that the value of all property to be owned by the corporation for the following year wherever located will be: \$ _____
 (b) It is estimated that the value of the property to be located within the State of Illinois during the following year will be: \$ _____
 (c) It is estimated that the gross amount of business that will be transacted by the corporation during the following year will be: \$ _____
 (d) It is estimated that the gross amount of business that will be transacted from places of business in the State of Illinois during the following year will be: \$ _____

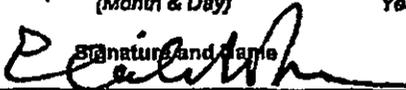
7. **OPTIONAL: OTHER PROVISIONS**

Attach a separate sheet of this size for any other provision to be included in the Articles of Incorporation, e.g., authorizing preemptive rights, denying cumulative voting, regulating internal affairs, voting majority requirements, fixing a duration other than perpetual, etc.

8. **NAME(S) & ADDRESS(ES) OF INCORPORATOR(S)**

The undersigned incorporator(s) hereby declare(s), under penalties of perjury, that the statements made in the foregoing Articles of Incorporation are true.

Dated July 14, 2004
 (Month & Day) Year

1. 
 Signature
 Elisha M. Prero - Incorporator
 (Type or Print Name)

2. _____
 Signature
 (Type or Print Name)

3. _____
 Signature
 (Type or Print Name)

Address

1. 130 East Randolph Street - Suite 3800
 Street
Chicago, IL 60601
 City/Town State ZIP Code

2. _____
 Street

 City/Town State ZIP Code

3. _____
 Street

 City/Town State ZIP Code

(Signatures must be in **BLACK INK** on original document. Carbon copy, photocopy or rubber stamp signatures may only be used on conformed copies.)

NOTE: If a corporation acts as incorporator, the name of the corporation and the state of incorporation shall be shown and the execution shall be by a duly authorized corporate officer. Type or print officer's name and title beneath signature.

Note 1: Fee Schedule

The initial franchise tax is assessed at the rate of 15/100 of 1 percent (\$1.50 per \$1,000) on the paid-in capital represented in this State. (Minimum initial franchise tax is \$25)

The filing fee is \$150

The minimum total due (franchise tax + filing fee) is \$175.

Note 2: Return to:

 (Firm name)

 (Attention)

 (Mailing Address)

 (City, State, ZIP Code)

PENNSYLVANIA DEPARTMENT OF STATE
CORPORATION BUREAU

Application for Certificate of Authority
(15 Pa.C.S.)

- Foreign Business Corporation (§ 4124)
 Foreign Nonprofit Corporation (§ 6124)

Name D. Yitochak Shkop / Prospect Resources Inc.		
Address 8170 McCormick Blvd, Ste. 107		
City Skokie	State IL	Zip Code 60076

Document will be returned to the name and address you enter to the left.



Fee: \$250

In compliance with the requirements of the applicable provisions of 15 Pa.C.S. (relating to corporations and unincorporated associations), the undersigned, hereby states that:

1. The name of the corporation is: Prospect Resources Inc.

2. *Complete only when the corporation must adopt a corporate designator for use in Pennsylvania.*
The name which the corporation adopts for use in this Commonwealth is: _____

3. *If the name set forth in paragraph 1 or 2 is not available for use in this Commonwealth, complete the following:*
The fictitious name which the corporation adopts for use in transacting business in this Commonwealth is: _____

The corporation shall do business in Pennsylvania only under such fictitious name pursuant to the attached resolution of the board of directors under the applicable provisions of 15 Pa.C.S. (relating to corporations and unincorporated associations) and the attached form DSCB:54-311 (Application for Registration of Fictitious Name).

4. The name of the jurisdiction under the laws of which the corporation is incorporated is: Illinois

5. The address of its principal office under the laws of the jurisdiction in which it is incorporated is:

<u>8170 McCormick Blvd, Ste 107</u>	<u>Skokie</u>	<u>IL</u>	<u>60076</u>
Number and street	City	State	Zip

6. The (a) address of this corporation's proposed registered office in this Commonwealth or (b) name of its commercial registered office provider and the county of venue is:

(a) Number and street	City	State	Zip	County
(b) Name of Commercial Registered Office Provider				County <u>Dauphin</u>
c/o: <u>1 PennCorp Service Group Inc.</u>				

7. Check one of the following:

Business Corporation: The corporation is a corporation incorporated for a purpose or purposes involving pecuniary profit, incidental or otherwise.

Nonprofit Corporation: The corporation is a corporation incorporated for a purpose or purposes not involving pecuniary profit, incidental or otherwise.

IN TESTIMONY WHEREOF, the undersigned corporation has caused this Application for Certificate of Authority to be signed by a duly authorized officer thereof this 18th day of March, 2010.

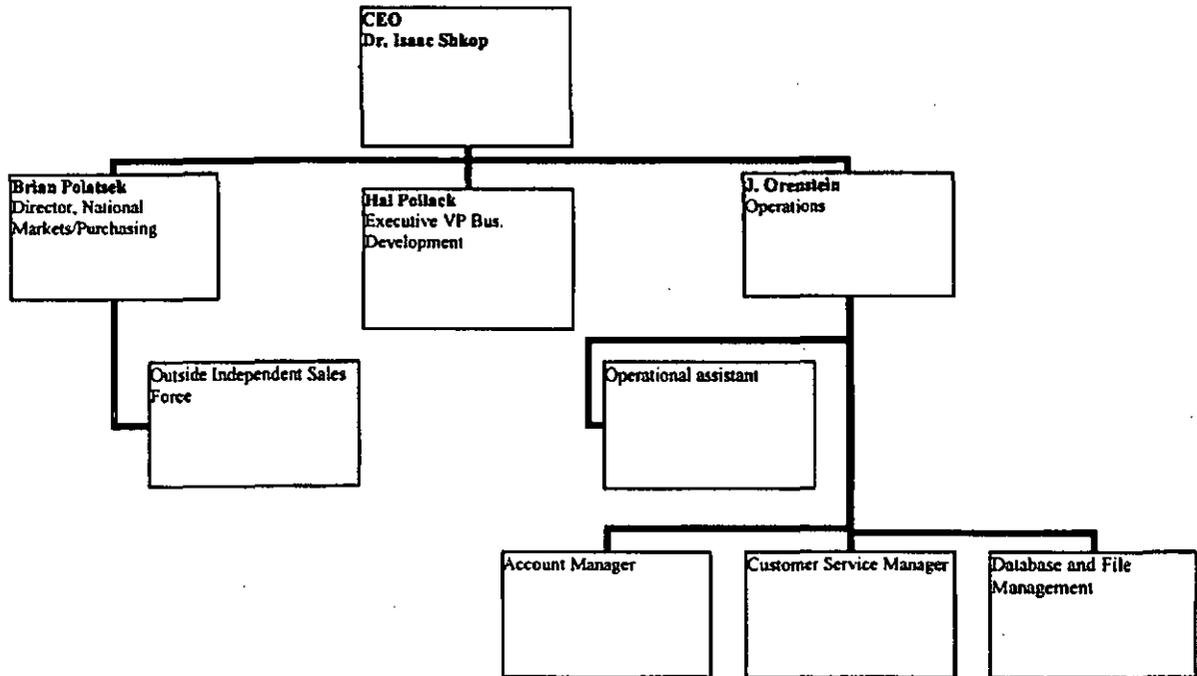
Prospect Resources, Inc.
Name of Corporation

[Signature]
Signature

CEO/President
Title

20. Technical Fitness

Prospect Resources, Inc - Organizational Chart



Prospect Resources Inc. - Managerial and Technical Qualifications

The CEO of Prospect Resources Inc. (PRI), Dr. Isaac Shkop, holds a PhD in Business Administration from the University of Pittsburgh, and was a faculty member in the business school at University of Illinois at Chicago. He was also an associate member at the Chicago Board of Trade, trading financial futures for several years.

In 1984, as one of the pioneers of the deregulated natural gas market in Northern Illinois, Dr. Shkop was involved in shaping many of the rules and regulations currently operant in Northern Illinois while providing natural gas to customers through 1996. After a hiatus of 6 years and at the behest of many former associates and clients, Dr. Shkop established Prospect Resources Inc. in 2005 to offer much needed planning, hedging and energy procurement services to larger energy consumers. PRI operates in conjunction with various national energy suppliers who have agreed to cooperate and supply natural gas and electricity as specified by PRL. Specifically, Dr. Shkop has been procuring electricity for customers since 2006.

Vice President of Business Development, Hal Pollack, is a Certified Public Accountant and holds a Master of Management Degree from Northwestern University's Kellogg Graduate School of Management. Mr. Pollack worked eight years in public accounting and moved from auditing futures brokerage firms to trading financial futures at the Chicago Mercantile Exchange and the Chicago Board of Trade for nine years. Upon leaving the trading floor, Mr. Pollack has been advising customers on how to control telecommunication, natural gas and electricity costs for almost 15 years as president of Corporate Long Distance Specialists, Inc (an Illinois corporation). Specifically, Hal Pollack has been procuring electricity for customers since 2006.

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Cash Basis

Prospect Resources Inc.
Balance Sheet
As of December 31, 2009

	<u>Dec 31, 09</u>
ASSETS	
Current Assets	
Checking/Savings	
Cash in Bank	31,041.68
Total Checking/Savings	<u>31,041.68</u>
Accounts Receivable	
Accounts Receivable	-400.00
Total Accounts Receivable	<u>-400.00</u>
Total Current Assets	30,641.68
Fixed Assets	
Leasehold Improvements	3,735.00
Equipment & Furniture	38,847.89
Furniture	1,367.67
Accumulated Depreciation	-23,541.95
Total Fixed Assets	<u>20,408.61</u>
Other Assets	
Investment Property	11,500.00
Key Card Deposit	30.00
Organization Costs	383.20
Accumulated Amortization	-383.20
Total Other Assets	<u>11,530.00</u>
TOTAL ASSETS	<u><u>62,580.29</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	131.30
Total Accounts Payable	<u>131.30</u>
Credit Cards	
Charge Cards	5,024.99
Total Credit Cards	<u>5,024.99</u>
Other Current Liabilities	
Loan #3470	97,128.71
Accrued SEP	24,749.50
Accrued Liabilities	-658.54
Shkop loan - acct # 7117007910	-125,000.00
Total Other Current Liabilities	<u>-3,780.33</u>
Total Current Liabilities	<u>1,375.96</u>
Total Liabilities	1,375.96
Equity	
common Stock	100.00
Distribution	-220,139.73
Retained Earnings	30,719.07
Net Income	250,524.99
Total Equity	<u>61,204.33</u>
TOTAL LIABILITIES & EQUITY	<u><u>62,580.29</u></u>

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02/11/10
Cash Basis

Prospect Resources Inc.
Profit & Loss
January through December 2009

	<u>Jan - Dec 09</u>
Ordinary Income/Expense	
Income	
Commissions	705,742.67
Annual Service Fees	235,025.19
Total Income	<u>940,767.86</u>
Expense	
Rental	208.00
Client Gift Cards	6,992.25
Administrative Salary	92,251.92
Automobile Expense	9,077.25
Bank Service Charges	74.64
Business Services	599.00
Client Promotion	51.00
Commissions-Asst.	178,301.94
Computer Consulting	2,696.90
Computer Expenses	1,584.68
Consulting	1,089.25
Credit Cards	583.13
Dues and Subscriptions	5,919.58
Equipment	6,385.53
European Office	14,700.00
Furniture and furnishings	1,000.00
Insurance	13,942.47
Interest Expense	7,923.07
Legal Fees	24,418.75
Licenses and Permits	365.00
Loan	0.00
Mid-Eastern Office	33,245.00
Miscellaneous	2,300.00
Moving Expense	586.00
Office	9,884.36
Outside Services	-9,036.19
Payroll Expenses	15,192.69
Postage and Delivery	2,598.57
Printing and Reproduction	32.80
Professional Fees	4,962.50
Rent	33,101.78
Repairs	1,764.32
Travel & Lodging	34,080.70
Utilities	11,754.99
Total Expense	<u>508,631.88</u>
Net Ordinary Income	432,135.98
Other Income/Expense	
Other Income	
Unclassified	-428.99
Total Other Income	<u>-428.99</u>
Other Expense	
SEP IRA Expense	24,750.00
Contributions	53,132.00
Illinois Replacement Tax	4,300.00
Officer's Salary	99,000.00
Total Other Expense	<u>181,182.00</u>
Net Other Income	<u>-181,610.99</u>
Net Income	<u><u>250,524.99</u></u>

International Credit of North America Reinsurance, Inc.
(Hereinafter referred to as "Company")
100 Park Avenue, Suite 1500
New York, NY 10017

LIMITED POWER OF ATTORNEY

Know all men by these presents that INTERNATIONAL CREDIT OF NORTH AMERICA REINSURANCE, INC., a corporation duly organized under the laws of the State of New York ("Company") does hereby appoint **John Sachanda** of Burr Ridge, Illinois its true and lawful Attorney(s)-in-Fact, with full power and authority hereby conferred, to make, execute, seal and deliver for and on its behalf as surety, in general, any and all bonds, undertakings, and recognizances in an amount not to exceed the penal sum of **Two Hundred Thousand and 00/100 Dollars (\$200,000.00)** for any single obligation. The execution of such bonds or undertakings in pursuance of these presents, shall be binding upon said Company as fully and amply, to all intents and purposes, as if such bonds were signed by the President, sealed with the corporate seal of the Company, and duly attested by Secretary, hereby ratifying and confirming all the acts of said Attorney(s)-in-Fact pursuant to the power herein given. This Power of Attorney is made and executed pursuant to, and by authority of, the following Resolutions adopted by the unanimous written consent of the Board of Directors of International Credit of North America Re, Inc. on the 20th day of November, 2007:

"Resolved: That the President, or any Vice President, may execute for and on behalf of the Company any and all Bonds, and all other writings obligatory in the nature thereof, the same to be attested when necessary and the seal of the Company affixed thereto by the Secretary, or any Assistant Secretary; and that the President, or any Vice President, may appoint and authorize Attorney(s)-in-Fact to execute on behalf of the Company any and all such instruments and to affix the seal of Company thereto; and that the President, or any Vice President, may at any time remove such Attorney(s)-in-Fact and revoke all power and authority given to any such Attorney(s)-in-Fact."

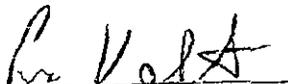
"Resolved: That Attorney(s)-in-Fact may be given full power and authority to execute for and in the name of the Company and all Bonds, and all other writings obligatory in the nature thereof, and any such instrument executed by any such Attorney(s)-in-Fact shall be as binding upon the Company as if signed by the President and sealed and attested by the Secretary, and further, Attorney(s)-in-Fact are hereby authorized to verify any affidavit required to be attached to such bonds, and all other writings obligatory in the nature thereof, and are also authorized and empowered to certify to a copy of any resolution of the Directors having to do with the execution of Bonds, and all other writings obligatory in the nature thereof, and certify copies of the Power of Attorney or with regard to the powers of any of the officers of the Company or of Attorney(s)-in-Fact."

This Power of Attorney is signed and sealed under the authority of the following Resolution adopted by the Executive Committee of the Board of Directors of International Credit of North America Reinsurance, Inc. on the 20th day of November, 2007.

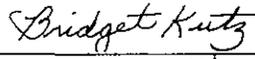
"Resolved: That the signature of the President, or any Vice President, and the signature of the Secretary or any Assistant Secretary may be affixed by facsimile to any Power of Attorney or to any certificate relating thereto appointing Attorney(s)-in-Fact for purposes only of executing and attesting any bond, or other written obligation in the nature thereof, and any such signature and seal where so used, being hereby adopted by the Company as the original signature of such officer, to be valid and binding upon the Company with the same force and effect as though manually affixed."

IN WITNESS WHEREOF, INTERNATIONAL CREDIT OF NORTH AMERICA RE, INC., has caused these presents to be signed by its President and its corporate seal to be hereto affixed, duly attested by its Secretary this 20th day of November, 2007.

International Credit of North America Re, Inc.

Attest: 
Eric Valentin, Secretary



By 
Bridget Kutz, President

STATE OF NEW YORK
COUNTY OF NEW YORK

On this 24th day of July, 2008; before me personally appeared Bridget Kutz, President and Eric Valentin, Secretary, of International Credit of North America Reinsurance, Inc., personally known to me to be the individuals and officers described in and who executed the preceding instrument, and they acknowledge the execution of the same, and being duly sworn by me, sayeth that they are the said officers of the Company aforesaid, and that the seal affixed to the preceding instrument is the corporate seal of said Company and that the said corporate seal and their signatures as such officers are duly affixed and subscribed to the said instrument by the authority and direction of said Company.

DIANNE YOUNG
NOTARY PUBLIC OF NEW JERSEY
MY COMMISSION EXPIRES 6-30-2010

Notary Public

CERTIFICATE

I, the undersigned Chairman of the Board of International Credit of North America Reinsurance, Inc. a New York Corporation, do hereby certify that the foregoing Power of Attorney is in full force and has not been revoked; and furthermore, that the Resolutions of the Board of Directors set forth in the Power of Attorney are now in force.

Signed and sealed at the County of New York Dated this 26th day of March, 2010



Rafac Agliata, Chairman of the Board

CERTIFICATE OF SERVICE

I hereby certify that I am this day serving the foregoing document upon the persons named and in the manner indicated below which service satisfies the requirements of Pa. R.C.P. 440.

VIA FIRST CLASS MAIL:

Irwin A. Propowsky
Office of Consumer Advocate
5th Floor, Forum Place
555 Walnut Street
Harrisburg, PA 17120

Office of Attorney General
Bureau of Consumer Protection
Strawberry Square, 14th Floor
Harrisburg, PA 17120

William R. Lloyd, Jr.
Commerce Building, Suite 1102
Small Business Advocate
300 North Second Street
Harrisburg, PA 17101

Commonwealth of Pennsylvania
Department of Revenue
Bureau of Compliance
Harrisburg, PA 17128-0946

Gary A. Jack, Assistant General Counsel
Duquesne Light Company
411 Seventh Street, MD 16-4
Pittsburgh, PA 15219

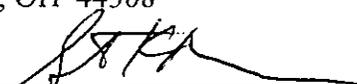
Paul E. Russell, Associate General Counsel
PPL
Two North Ninth Street
Allentown, PA 18108-1179

Metropolitan Edison Company
Blaine W. Uplinger, Jr., Director of
Governmental and Regulatory Affairs
First Energy
100 APC Building
800 North Third Street
Harrisburg, PA 17102-2025

John P. Litz, Division Controller
UGI Utilities, Inc.
Electric Division
400 Stewart Road
P.O. Box 3200
Hanover Industrial Estates
Wilkes-Barre, PA 18773-3200

Carlo L. Ciabattoni, Manager Energy
Acquisition
PECO Energy Company
2301 Market Street
Philadelphia, PA 19101-8699

Stephen L. Feld, Attorney
Pennsylvania Power Company
First Energy Corporation
76 South Main Street
Akron, OH 44308



Steven K. Haas

Dated this 6th day of April 2010

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SECRETARY'S BUREAU