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Via E-File

December 21, 2023

Pennsylvania Public Utility Commission
Secretary
400 North Street, Keystone Building
Harrisburg, PA 17120
(717) 783-5242

RE: **52 Pa. Code § 54.34 Report of Change**
Freepoint Energy Solutions LLC – License A-2016-2575063 approved 01/26/2017

Dear Secretary:

In accordance with 52 Pa. Code § 54.34, Freepoint Energy Solutions LLC (“Freepoint”) hereby notifies the Commission of misappropriation-based fraud charges brought against, and the resolution of an investigation involving, Freepoint’s indirect parent company and a guarantor, Freepoint Commodities LLC (“Freepoint Commodities”).

On December 14, 2023, the Commodities Futures Trading Commission (“CFTC”) issued an order in Docket Number 24-02, simultaneously filing and settling misappropriation-based fraud charges against Freepoint Commodities LLC, applicant’s indirect parent. The conduct spanned from 2012 to 2018 and involved misconduct by certain individuals no longer employed by, or associated with, the company, designed to obtain material non-public information from a South American state-owned enterprise (SOE) in connection with the purchase and sale of fuel oil. The order requires Freepoint Commodities to pay civil monetary penalties and disgorgement and was settled in conjunction with a companion Department of Justice review.

On December 14, 2023, Freepoint Commodities agreed to resolve an investigation, Docket Number 3:23-CR-224-KAD by the U.S. Justice Department (“DOJ”) into conspiracy to violate the Foreign Corrupt Practices Act (FCPA) stemming from the involvement of certain individuals no longer employed by, or associated with, the company in a scheme to pay bribes to employees of a South American state-owned enterprise. Freepoint Commodities agreed to pay a criminal penalty of \$68 million and administrative forfeiture in the amount of \$30,551,150.

Freepoint Commodities is fully committed to adhering to the letter and spirit of the laws and regulations in every jurisdiction where it operates. The resolutions with the DOJ and CFTC, though serious and unfortunate, stem from activity by individuals that commenced prior to their joining Freepoint Commodities and was inconsistent with Freepoint Commodities’ values and a breach of its zero-tolerance for corruption. The individuals involved are no longer associated with Freepoint Commodities.

If you have any questions regarding the filing of this report, please feel free to contact me.

Respectfully submitted,

A handwritten signature in blue ink that reads "Lena Davila". The signature is written in a cursive, flowing style.

Lena Davila
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