

Docket number 11-0730

Topco Associates LLC

Application for Licensure of
Agents, Brokers and Consultants
under Section 16-115C of
the Public Utilities Act.

ADM
COMMERCE
MISSION
2011 DEC -9 P 12: 50

ORIGINAL

CHIEF CLERK'S OFFICE 11-0730

SERVED ELECTRONICALLY

NOTICE OF TOPCO ASSOCIATES RESPOSNE TO ADMINISTRATIVE LAW
JUDGE'S RULING

Dear Sir/Madam:

Topco Associates LLC has completed a review of the notice of administrative law judge's ruling dated November 29, 2011 on the application filed by Topco Associates LLC (DE) ("Applicant") on November 14, 2011. Applicant herein responds to the administrative law judge's ruling below in order of the issues presented. Applicant's representative's original signature is located on page 3.

General Requirements

Paragraph 7 of the application form directs an applicant to identify other jurisdictions where it possesses similar authority to provide ABC services. Paragraph 7 also directs an applicant to disclose whether it has had any complaints filed against it for its provision of any services in the electric or gas industry in this or any other jurisdiction. Applicant references North Carolina in response to Paragraph 2 but only identifies Pennsylvania in response to Paragraph 7. Please address this discrepancy and identify any other states where Applicant offers services similar to that at issue in this proceeding. Applicant also fails to disclose whether it has had any complaints filed against it. Please identify any such complaints and include the nature of the complaint, the jurisdiction, and the ultimate resolution.

Applicant Response:

Applicant has not had any complaints filed against it for its provision of any services in the electric or gas industry in this or any other jurisdiction. Applicant references the business entity TopSource1 in North Carolina in response to Paragraph 2, but does not use this entity for its provision of any services in the electric or gas industry. Applicant is only a licensed broker in the state of Pennsylvania currently.

Managerial Requirements

83 Ill. Adm. Code 454.60(a) and (b) require Applicant to demonstrate that it has had at least one year of management experience with a business enterprise and to provide occupational background information for the person(s) with that experience. Section 454.60(c) requires Applicant to include a corporate organizational chart indicating the position of the person(s) who Applicant is using to satisfy the managerial requirements. In Attachment A to its application, Applicant included general

background information on Jim Titus and indicated that it will use Mr. Titus to meet the managerial requirements of Section 454.60. Attachment A indicates, however, that "Jim Titus is a Senior Sourcing Manager with TopSource LLC, a wholly-owned subsidiary of Topco." Since Mr. Titus does not work directly for Applicant, please better explain the organizational structure of Applicant and whether/how that structure enables Mr. Titus to perform managerial duties for Applicant. Regardless of who is used to satisfy the managerial requirements of Part 454, the resume of the identified person(s) should be provided and clearly indicate the period of time that the identified person(s) served in a managerial position in a business enterprise. An appropriate organizational chart should be submitted if necessary in compliance with Section 454.60(c).

Applicant Response:

Please see the attached resume of Jim Titus (Attachment A) and refer to the relevant experience during 2009 to the present at TopSource LLC. Jim Titus is a Senior Sourcing Manager with TopSource LLC, a wholly-owned subsidiary of Applicant. Applicant is a member-owned cooperative of retailers. TopSource LLC is a sourcing and procurement division of Applicant (see corporate organizational chart, Exhibit 1, in the original application, and reproduced herein as Attachment B) As a wholly-owned subsidiary of Applicant, TopSource LLC works directly for and on behalf of Applicant and all Applicant member-owners. This direct working relationship between Applicant and TopSource enables Mr. Titus to perform managerial duties for the Applicant.

Technical Requirements

83 Ill. Adm. Code 454.70(a) and (b) require Applicant to demonstrate it has experience in the electric industry of at least one year and to provide occupational background information for the person(s) with that experience. In Attachment B to its application, Applicant indicated that it would use Mr. Titus (as described in Attachment A) to meet the technical requirements of Section 454.70. Attachment A indicates, however, that "Jim Titus is a Senior Sourcing Manager with TopSource LLC, a wholly-owned subsidiary of Topco." Since Mr. Titus does not work directly for Applicant, please better explain the organizational structure of Applicant and whether/how that structure enables Mr. Titus to perform technical duties for Applicant. Regardless of who is used to satisfy the technical requirements of Part 454, the resume of the identified person(s) should be provided and clearly indicate the period of time that the identified person(s) gained experience in the electric industry of at least one year.

Applicant Response:

Please see the attached resume of Jim Titus (Attachment A) and refer to the relevant experience during 2009 to the present at TopSource LLC. Jim Titus is a Senior Sourcing Manager with TopSource LLC, a wholly-owned subsidiary of Applicant. Applicant is a member-owned cooperative of retailers. TopSource LLC is a sourcing and procurement division of Applicant (see corporate organizational chart, Exhibit 1, in the original application, and reproduced herein as Attachment B) As a wholly-owned subsidiary of Applicant, TopSource LLC works directly for and on behalf of Applicant and all Applicant member-owners. This direct working relationship between Applicant and TopSource enables Mr. Titus to perform technical duties for the Applicant.

Financial Requirements

In response to Paragraph 11 of the application form, Applicant indicates that Aon Risk Solutions has issued the required bond. Attached to the application, however, is a bond issued by RLI Insurance Company. Please explain this discrepancy.

Applicant Response:

Aon Risk Solutions and RLI Insurance Company are 2 separate entities. AON is the insurance broker Applicant uses, and RLI Insurance Company is the insurance company that issued the bond at the request of Aon Risk Solutions. Applicant utilizes AON Risk Solutions for all of its surety bonds.



Greg Magrisi
Officer
Topco Associates LLC

Attachment A

RESUME OF JAMES TITUS

EXPERIENCE

TOPSOURCE, LLC

2006 – Present
Braintree, MA

Senior Manager Construction, Energy & Sustainability (2009 - Present)

Consult with 50 members of a retail cooperative to develop strategic sourcing plans that reduce costs, improve operational performance, and meet corporate social responsibility goals.

- Market services of aggregated sourcing, procurement and spend management in areas of Construction, Energy and Sustainability to the member-owners of the cooperative.
- Develop an energy brokerage business to assist members with electricity and natural gas procurement.
- Source and negotiate pricing for electricity and natural gas on behalf of the Topco members.
- Develop annual sourcing plans and manage a staff to deliver budgeted results.
- Manage the budget for the energy, sustainability and construction categories totaling \$75M in sales.
- Use Ariba e-sourcing software to issue eRFXs, run reverse auctions and manage contracts.
- Categorize spend using A/P feeds and identify strategic suppliers and key sourcing initiatives.

Sourcing Manager (2006 - 2008)

- Developed and issued RFXs to deliver cost reductions through aggregation, global sourcing, and common specification development in areas of construction, facilities management, equipment and logistics.
- Designed a sourcing process that evaluated 30 incumbent distributors and OEMs of electrical supplies for ten retailers, and streamlined the supply chain to a single OEM national account saving \$1.3M per year.
- Managed the sourcing of building materials for the first LEED Portfolio Volume Certification of 51 stores.

BRAINTREE SOURCING, LLC

2003 – 2005
Braintree, MA

Sourcing Manager (2004 - 2005)

Expanded a pilot program of sourcing construction materials from two to five divisions of Ahold and broadened the scope to include related commodity areas.

- Managed expenditures for Ahold's U.S. divisions on construction materials, facilities management, logistics and packaging materials.
- Sourced flooring products globally to offset raw material price inflation with lower cost manufacturing.
- Negotiated the labor and materials for an aggregated lighting maintenance initiative across five operating companies totaling 650 retail locations that generated savings of over \$1.5M per year.

Sourcing Analyst (2003)

- Developed a pilot program to evaluate the feasibility of aggregated sourcing of construction materials and labor for two retail operating divisions.
- Procured \$14M worth of light fixtures by sourcing at both manufacturer and distributor levels, and negotiated pricing using an on-line reverse auction, resulting in annual savings of \$3.4M.
- Implemented agreements on a variety of materials such as: steel, roofing, skylights, switchgear and flooring.
- Negotiated subcontracted labor agreements including: electricians, plumbers and general contractors.

CITIGROUP, INC.

Associate

**2001
New York, NY**

Performed credit analysis and due-diligence on investment grade corporate debt. Analyzed financial statements and researched Oil and Gas, Airlines, Media and Entertainment industries. Summarized and presented investment recommendations to portfolio managers.

ANALYSIS GROUP, INC.

Consultant

**1998 – 2000
Cambridge, MA**

Consulted on projects involving financial securities, intellectual property and antitrust issues. Worked with clients to develop project scope, hypotheses, timelines and deliverables. Developed financial models and used econometric forecasting to estimate lost sales, financial damages and liability claims.

- Modeled financial damages due to breach of merger agreements.
- Prepared an event study to assess abnormal returns on common stock due to alleged market manipulation.
- Quantified the sales lost to a competitor due to patent infringement.

CAPITAL INVESTMENT ANALYSIS, INC.

Investment Analyst

**1995 – 1998
Newton, MA**

Analyzed potential investments in properties qualifying for Federal low-income housing tax credits and syndicated qualifying properties into limited partnerships.

- Identified properties with Federal and State tax credit allocations.
- Prepared proforma financials and drafted partnership offering memoranda.
- Marketed limited partnership interests to accredited investors.

NAVIGANT CONSULTING

Associate

**1993 – 1995
San Francisco, CA**

Assisted expert witnesses and economists with financial research and analysis.

- Modeled the liabilities in an alleged misallocation scheme of derivatives trading for a financial services company.
- Quantified the damages sustained by the Resolution Trust Corporation due to illegal investments in high-yield bonds made by an insolvent savings and loan institution.

EDUCATION

MASSACHUSETTS INSTITUTE OF TECHNOLOGY

Bachelor of Science, Economics

Cambridge, MA

BABSON COLLEGE

Master of Business Administration, Finance

Wellesley, MA

Institute for Supply Management

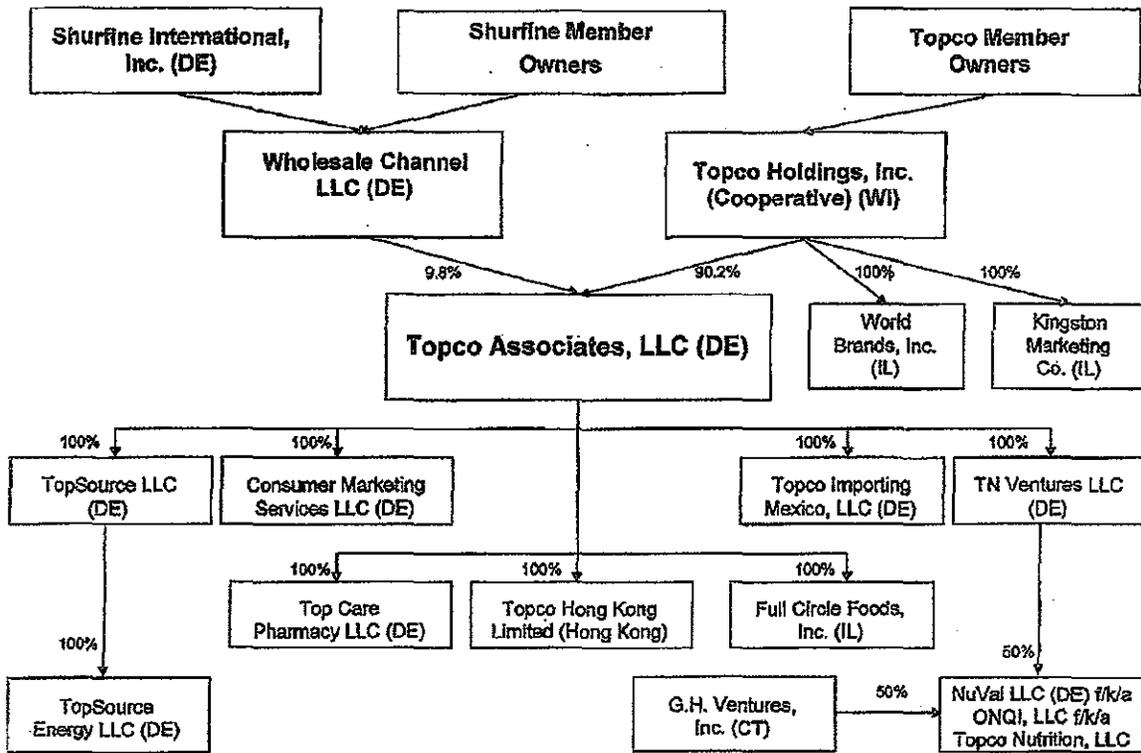
Certified Purchasing Manager certification received 2007

Attachment B

Corporate Organizational Chart

10/13/2010

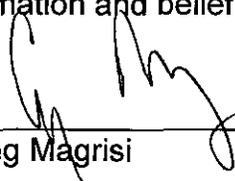
Topco Corporate Structure



VERIFICATION

STATE OF ILLINOIS
COUNTY OF COOK

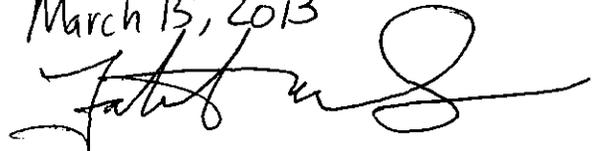
Greg Magrisi, being first duly sworn, deposes and says that he is an officer of Topco Associates LLC and that he has read the foregoing Application of Topco Associates LLC, Administrative Law Judge ruling and response, and all of the attachments accompanying and referred to within the Application; and that the statements contained in the Application and the attachments are true, correct and complete to the best of his knowledge, information and belief.



Greg Magrisi

Subscribed and sworn to before me
this 8th day of DECEMBER, 2011.

Fortunato J Mendes III
My Commission Expires
March 15, 2013



CERTIFICATE OF SERVICE

I, Greg Magrisi, hereby certify that on 12-8-11, I
[name] [date]

served copies of: Application for Licensure of Agents, Brokers and Consultants
under Section 16-115C of the Public Utilities Act – Response to Administrative
Law Judge’s Ruling

on the following parties by way of: email and overnight mail

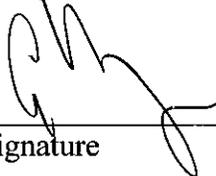
Parties Served:

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(jalbers@icc.illinois.gov)

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(steven.ducommun@klgates.com)

12-8-11
Date


Signature