

Energy Industry



K2 Integrity is a global preeminent risk, compliance, investigations, and monitoring firm—built by former regulators and industry leaders, driven by interdisciplinary teams, and supported by cutting-edge technology to safeguard our clients' operations, reputations, and economic security.

Today's Decisions Influence Tomorrow's Future

The energy industry faces an onslaught of challenges as it adjusts to the growing effects of climate change. Whether transitioning to clean energy, responding to local policy changes or shifting political landscapes, the smallest decisions can have large global implications. Additional threats can come from myriad outside groups seeking to control or change a narrative. Publicly traded companies face additional threats from activist shareholders urging consolidation. Quick and effective adaptation is crucial to success.

Our Energy Industry Clients Include

- ▶ Publicly traded utilities
- ▶ Grid infrastructure operators and developers
- ▶ Green energy project developers
- ▶ Sovereign wealth funds
- ▶ Multinational corporations and their boards
- ▶ Private equity firms
- ▶ Hedge Funds

Our Approach

Growing worldwide demand for energy, a scarcity of resources, environmental impacts, and aging resources mean that decisions made in the energy sector will have implications for years. With this as backdrop, K2 provides energy sector clients with the information they need to face today's challenges. In addition to strategic and market intelligence, we develop information regarding agenda-driven opponents, including activist shareholders and adversaries of green energy and renewable energy projects. In a time where politics are more national than local, K2 helps clients examine relationships between political organizations, community groups, lobbyists, and think tanks. K2's global reach and consultative and fact-finding approach allows our clients to develop long-term strategies while still engaging in tactical solutions.

Our Services

K2 Integrity gathers information that lets clients effectively evaluate new markets, analyze possible acquisitions, assess fraud, understand the politics behind certain situations, or determine why a project is facing unexpected opposition. This information can then be used to make informed decisions, engage with stakeholders, or present evidence to regulators.

Client engagements include:

- Serving as a strategic advisor as clients face unexpected opposition to projects
- Analyzing funding of opposition and dark money groups
- Tracing the impact of coordinated anti-renewable energy attacks
- Conducting due diligence for M&A and board composition in traditional and emerging markets
- Supporting Committee for Foreign investment in the US (CFIUS) reviews
- Supporting client defense against corporate activists
- Developing evidence to support a client's position for its conversations with regulators
- Investigating misconduct
- Searching for assets

Sample Engagements

In a multi-year engagement for a publicly traded utility, K2 Integrity helped the client rebuff an attack by an activist investor. K2 Integrity's research found that organizations pretending to advance a climate-friendly agenda were actually funded by conservative think tanks, activist shareholders, and competitors. K2 Integrity has also provided security assessments, traced the flow of campaign funds and other monies from competitors to elected officials, and provided ongoing strategic support.

An energy developer considering engaging lobbyists hired K2 Integrity to undertake a due diligence investigation prior to making its selection. Working in a tight timeframe, K2 Integrity found that one of the lobbyists under consideration was a defendant in a civil lawsuit alleging the lobbyist had engaged in unethical business practices in a recent local election. Although the lawsuit was settled prior to adjudication, the client eliminated the lobbyist from consideration. Three months later, the lobbyist was federally indicted for bribery and corruption.

When a publicly traded shale development company faced pressure from an activist hedge fund, K2 Integrity found that the fund was pressuring the company because of an undisclosed failing investment in a competitor. The client used this evidence to thwart the hedge fund's efforts, thereby saving itself the time and money involved in a full-fledged activist campaign.

K2 Integrity has been retained by an international law firm to assist a Ukrainian state-owned energy company in the recovery of assets following a \$5 billion arbitration award against the Russian Federation. The K2 Integrity team is working closely with the lawyers and client in this ongoing case to identify assets and assist with veil-piercing research and other investigative support as the team seeks assets not already targeted by other creditors and assists in the recovery process.

When a utility company was considering a minority investment by a sovereign wealth fund, it engaged K2 Integrity to conduct due diligence on the fund. The investigation not only focused on the fund's background, owners, and prior investments, but also analyzed the fund through the relevant CFIUS regulations. As a result, the client was able to craft a successful presentation to U.S. regulators, and the investment was successfully completed.

Multidisciplinary Teams

K2 Integrity's multidisciplinary energy team includes individuals from a variety of disciplines, including career investigators, former prosecutors and journalists, financial experts, and a highly trained team of analysts. Practice leaders integrate relevant practitioners into a team that collaborates with the client and other advisors to craft an investigative approach designed to develop facts that will help the client achieve its objective.

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