



Opinion Letter Sent to Cleveland.com on FirstEnergy Solutions/Energy Harbor Stock Buyback Scandal

CLEVELAND, OH, US, June 12, 2020 /EINPresswire.com/ -- The following opinion letter has been sent by email today to Chris Quinn and Elizabeth Sullivan of Cleveland.com for possible publication. The letter was sent so that it could bring a broader and wider investigation of this matter of by the media, the Securities and Exchange Commission, and U.S. Attorney Justin E. Herdman.

The text is as follows:

To the Editor:

In regards to your editorial of May 22nd protesting the \$800 million share buyback of the reorganized nuclear power company FirstEnergy Solutions (now Energy Harbor), I would like to point out the following.

This money did not come from the \$1.2 billion in subsidies that the State of Ohio voted to give FirstEnergy Solutions, as that subsidy does not begin until 2021.

It comes from \$1 billion in cash that U.S. Bankruptcy Judge Alan M. Koschik in Akron gave to FirstEnergy in its Eight Amended Joint Reorganization Plan, money that FirstEnergy Solutions told the court was essential to help the company survive and pay its bills.

It was not intended to be used for massive stock buybacks targeted to Wall Street "insiders."

In fact what happened is that major Wall Street firms such as bond speculator Nuveen bought FirstEnergy bonds at 31 cents on the dollar that almost immediately became worth 88 cents on the dollar. They then converted these bonds to stock and the value of the stock doubled within a month of the announcement of the buyback. Perhaps having advance knowledge of this buyback -- unlike the public -- Wall Street firms Nuveen and Avenue Capital Management ended up owning 45% of the reorganized company and profiting wildly.

The language that spells this out in the October 14th reorganization plan is as follows: "For the avoidance of doubt, such Cash distribution shall be funded solely by Cash that would otherwise be transferred to the Reorganized Debtors on the Effective Date and will not increase the value

of recoveries to those creditors receiving such Cash distributions." Clearly this did not happen.

Nuveen and Avenue Capitol Management have been unduly enriched by this manipulation by FirstEnergy Solutions and its Wall Street cronies. The \$800 million stock buyback is contrary to the stated intent of the Court and should be rescinded and the case referred to the SEC.

Jeff Barge
Address Redacted
Cleveland, Ohio 44107

Jeff Barge
Lucky Star Public Relations
+1 773-485-3884

[email us here](#)

Visit us on social media:

[LinkedIn](#)

This press release can be viewed online at: <https://www.einpresswire.com/article/519296859>

EIN Presswire's priority is source transparency. We do not allow opaque clients, and our editors try to be careful about weeding out false and misleading content. As a user, if you see something we have missed, please do bring it to our attention. Your help is welcome. EIN Presswire, Everyone's Internet News Presswire™, tries to define some of the boundaries that are reasonable in today's world. Please see our Editorial Guidelines for more information.

© 1995-2020 IPD Group, Inc. All Right Reserved.