

Genie Energy Ltd.

Form S-3

February 05, 2018

As filed with the Securities and Exchange Commission on February 2, 2018

Registration No. 333-

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**WASHINGTON, D.C. 20549**

**FORM S-3**

**REGISTRATION STATEMENT**

**UNDER THE SECURITIES ACT OF 1933**

**GENIE ENERGY LTD.**

(Exact name of registrant as specified in its charter)

**Delaware**

**45-2069276**

(State or other jurisdiction of  
Incorporation or organization)

(I.R.S. Employer

Identification Number)

**520 Broad Street**

**Newark, NJ 07102**

**(973) 438-3500**

(Address, including zip code; telephone number, including area code of registrant's principal executive offices)

**Michael Stein**

**Chief Executive Officer**

**Genie Energy Ltd.**

**520 Broad Street**

**Newark, NJ 07102**

**(973) 438-3500**

(Name, address, including zip code; telephone number, including area code of agent for service)

Copies to:

**Dov T. Schwell, Esq.**

**Schwell Wimpfheimer & Associates LLP**

**37 W. 39<sup>th</sup> Street, Suite 505**

**New York, NY 10018**

**(646) 328-0795**

**Approximate date of commencement of proposed sale to the public:** From time to time after the effective date of this registration statement as determined by the registrant.

If the only securities to be offered on this Form are being offered pursuant to dividend or reinvestment plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or reinvestment plans, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

### Edgar Filing: Genie Energy Ltd. - Form S-3

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act. (check one):

Large accelerated filer   Accelerated Filer   Non-accelerated filer   Smaller reporting company  
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of Securities Act.

# **CALCULATION OF REGISTRATION FEE**

Title of Securities to be Registered (1)	Proposed Maximum Aggregate Offering Price (2)	Amount of Registration Fee (3)
Class B Common Stock, par value \$.01 per share	---	---
Warrants	---	---
Total	\$25,000,000	\$ 3,112.50

- (1) Includes an indeterminate number of securities that may be issued in primary offerings or upon exercise, conversion or exchange of any securities registered hereunder that provide for exercise, conversion or exchange. Not specified as to each class of securities to be registered hereunder pursuant to General Instruction II(D) to Form S-3 under the Securities Act of 1933, as amended (the "Securities Act"). The proposed maximum aggregate offering price per class of securities will be determined from time to time by the registrant in connection with the issuance of the securities registered hereunder. The aggregate public offering price of the securities registered hereby will not exceed \$25,000,000.
- (2) Calculated pursuant to Rule 457(o) under the Securities Act.

**The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.**

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is declared effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

**SUBJECT TO COMPLETION, DATED [\_\_\_\_], 2018**

## **PROSPECTUS**

### **GENIE ENERGY LTD.**

**\$25,000,000**

#### **Class B Common Stock**

#### **Warrants**

We may from time to time offer to sell any combination of the securities described in this prospectus in one or more offerings. The aggregate initial offering price of all securities sold under this prospectus will not exceed \$25,000,000.

This prospectus provides a general description of the securities we may offer. Each time we sell securities, we will provide specific terms of the securities offered in a supplement to this prospectus. We may also authorize one or more free writing prospectuses to be provided to you in connection with these offerings. The prospectus supplement and any related free writing prospectus may also add, update or change information contained in this prospectus. You should carefully read this prospectus, the applicable prospectus supplement and any related free writing prospectus, as well as any documents incorporated by reference herein or therein before you invest in any securities. This prospectus may not be used to consummate a sale of securities unless accompanied by the applicable prospectus supplement.

Our Class B common stock is listed on the New York Stock Exchange under the symbol “GNE”. On January 31, 2018, the last reported sale price for our Class B common stock was \$4.37 per share. The applicable prospectus supplement will contain information, where applicable, as to any other listing on any securities market or other exchange of the

securities, if any, covered by the prospectus supplement.

**Investing in our securities involves risks. See “Risk Factors” beginning on page 11.**

We may sell these securities directly to investors, through agents designated from time to time or to or through underwriters or dealers. For additional information on the methods of sale, you should refer to the section entitled “Plan of Distribution” in this prospectus. If any underwriters are involved in the sale of any securities with respect to which this prospectus is being delivered, the names of such underwriters and any applicable commissions or discounts will be set forth in a prospectus supplement. The price to the public of such securities and the net proceeds we expect to receive from such sale will also be set forth in a prospectus supplement.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

**The date of this prospectus is [\_\_\_\_\_], 2018.**

Table of Contents

**TABLE OF CONTENTS**

<b>THE OFFERING</b>	
<b><u>About This Prospectus</u></b>	1
<b>THE COMPANY</b>	
<b><u>OUR BUSINESS</u></b>	2
<b><u>RISK FACTORS</u></b>	11
<b><u>FORWARD-LOOKING INFORMATION</u></b>	13
<b><u>UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL INFORMATION</u></b>	14
<b><u>Use Of Proceeds</u></b>	17
<b><u>Description Of Capital Stock</u></b>	19
<b><u>Plan of Distribution</u></b>	26
<b>SECURITIES AND EXCHANGE COMMISSION POSITION ON INDEMNIFICATION</b>	
<b><u>Legal Matters</u></b>	27
<b><u>Experts</u></b>	27
<b><u>WHERE YOU CAN FIND MORE INFORMATION</u></b>	28
<b><u>INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE</u></b>	28

Table of Contents

**ABOUT THIS PROSPECTUS**

This prospectus is a part of a registration statement that we filed with the Securities and Exchange Commission, or SEC, utilizing a “shelf” registration process. Under this shelf registration process, we may sell any combination of the securities described in this prospectus in one or more offerings up to a total dollar amount of \$25,000,000. This prospectus provides you with a general description of the securities we may offer. Each time we sell securities under this shelf registration, we will provide a prospectus supplement that will contain specific information about the terms of that offering. We may also authorize one or more free writing prospectuses to be provided to you that may contain material information relating to these offerings. The prospectus supplement and any related free writing prospectus that we may authorize to be provided to you may also add, update or change information contained in this prospectus or in any documents that we have incorporated by reference into this prospectus. You should read this prospectus, any applicable prospectus supplement and any related free writing prospectus, together with the information incorporated herein by reference as described under the heading “Where You Can Find Additional Information.”

You should rely only on the information that we have provided or incorporated by reference in this prospectus, any applicable prospectus supplement and any related free writing prospectus that we may authorize to be provided to you. No person is authorized to give any information or represent anything not contained in this prospectus, any accompanying prospectus supplement and any applicable pricing supplement. We have not authorized any dealer, salesman or other person to give any information or to make any representation other than those contained or incorporated by reference in this prospectus, any applicable prospectus supplement or any related free writing prospectus that we may authorize to be provided to you. You must not rely upon any information or representation not contained or incorporated by reference in this prospectus, the accompanying prospectus supplement or related free writing prospectus. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. We are only offering the securities in places where sales of those securities are permitted.

This prospectus, the accompanying supplement to this prospectus and any related free writing prospectus, if any, do not constitute an offer to sell or the solicitation of an offer to buy any securities other than the registered securities to which they relate, nor do this prospectus, the accompanying supplement to this prospectus or any related free writing prospectus, if any, constitute an offer to sell or the solicitation of an offer to buy securities in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. You should not assume that the information contained in this prospectus, any applicable prospectus supplement or any related free writing prospectus is accurate on any date subsequent to the date set forth on the front of the document or that any information we have incorporated by reference therein is correct on any date subsequent to the date of the document incorporated by reference, even though this prospectus, any applicable prospectus supplement or any related free writing prospectus is delivered or the applicable securities are sold on a later date.

As used in this prospectus, “Genie Energy Ltd.,” “Genie,” “the Company,” “we,” “our,” “ours,” and “us” refer to Genie Energy and its consolidated subsidiaries.





Table of Contents

**SUMMARY**

*This summary highlights selected information from this prospectus and the documents incorporated herein by reference and does not contain all of the information that you need to consider in making your investment decision. You should carefully read the entire prospectus, including the risks of investing in our securities discussed under “Risk Factors” beginning on page 11 of this prospectus, the information incorporated herein by reference, including our financial statements, and the exhibits to the registration statement of which this prospectus is a part. All references in this prospectus to “we,” “us,” “our,” “Genie,” “Genie Energy Ltd.,” the “Company” and similar designations refer to Genie Ltd. and its consolidated subsidiaries, unless otherwise indicated or as the context otherwise requires.*

**Our Business**

Genie Energy Ltd. is comprised of the following two businesses:

GRE, which owns and operates retail energy providers, or REPs, including IDT Energy, Inc., or IDT Energy, Residents Energy, Inc., or Residents Energy, Town Square Energy, or TSE, and Mirabito Natural Gas, or Mirabito, and also offers energy brokerage and advisory services. Its REP businesses resell electricity and natural gas to residential and small business customers primarily in the Eastern United States;

Genie Oil and Gas, Inc., (GOGAS), is an oil and gas exploration company. Except for GOGAS’ activities at Afek Oil and Gas Ltd (Afek) as discussed more fully below, currently, GOGAS’ three other exploration projects are inactive.

*Corporate Structure*

Genie Energy Ltd., a Delaware corporation, owns 99.3% of its subsidiary, Genie Energy International Corporation, or GEIC, which owns 100% of GRE, and 92% of GOGAS. GOGAS holds an 85.9% interest in Afek. GOGAS also holds interests in three inactive oil and gas projects: an 86.1% interest in Israel Energy Initiatives, Ltd., or IEI, an oil shale development project in Israel, an 88.2% interest in Genie Mongolia, Inc., an oil shale exploration project in Central Mongolia, and a 98.3% interest in American Shale Oil Corporation, or AMSO, which operated an oil shale development project in Colorado that was decommissioned.

GRE has outstanding deferred stock units granted to officers and employees that represent an interest of 1.25 % of the equity of GRE.

### *Genie Retail Energy*

Genie Retail Energy is comprised of REPs and related businesses. GRE's REP businesses purchase electricity and natural gas on the wholesale markets and resell these commodities to its residential and business customers. The positive difference between the net sales price of electricity and natural gas sold to its customers and the cost of its electricity and natural gas supplies and related costs is the REP businesses' gross profit.

GRE's REP businesses operate in certain utility territories within the retail energy markets of ten states in the Eastern and Midwestern US: Connecticut, Illinois, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Florida and Rhode Island, as well as in Washington, D.C.

GRE's REP businesses operate under several brand names including IDT Energy, Residents Energy, Town Square Energy. Their diverse offerings, in both the electricity and natural gas markets include, variable rate offerings, fixed rate offerings, and green renewable offerings.

On July 17, 2017, the Company's subsidiary, Genie Energy UK Ltd. ("GEUK"), entered into a definitive agreement with Energy Global Investments Pty Ltd ("EGC") to launch a joint venture that offers electricity and natural gas service to residential and small business customers in the United Kingdom under the brand Orbit Energy. In December 2017, Orbit commenced initial customer acquisition in the UK under the mandated three-month Controlled Market Entry framework in which new entrants can acquire a limited number of customers in a test environment.

Table of Contents

As part of our ongoing business development efforts, we continuously seek out new opportunities in domestic and international jurisdictions, however, there are no assurances we will be successful in launching any such operations.

Historically, GRE's REP businesses have expanded organically – adding new customers through customer acquisition programs at a rate faster than customers lost through attrition or churn. New customers are generally acquired through a combination of marketing and sales channels including door-to-door solicitation, telemarketing, online and digital marketing, and direct mail, and by competitive bidding for exclusive contracts awarded by certain municipalities that, when authorized by state laws, award participating residents' electricity supply to a single supplier.

On August 10, 2017, GRE acquired Mirabito Natural Gas, a Ft. Lauderdale, Florida-based natural gas supplier, from Angus Partners, LLC ("Angus"). Mirabito serves commercial and government customers throughout Florida.

In November 2016, GRE closed on the acquisition of Retail Energy Holdings, LLC (REH), a privately held retail electricity provider operating under the Town Square Energy brand. The acquisition added approximately 48,000 RCEs to GRE's customer base. Town Square Energy, operates in eight Eastern states and its licenses and customer base expands GRE's geographic footprint to four new states – New Hampshire, Rhode Island, Massachusetts and Connecticut – and provides additional electricity customers in New Jersey, Maryland, Ohio and Pennsylvania.

Customer churn is a significant factor in the REP business, with monthly churn rates for GRE's REPs averaging between four and eight percent per month. Customer churn tends to decrease when commodity prices fall, when weather-driven consumption decreases, when the price to REP customers decreases relative to competitors including the incumbent utility provider, or when the REPs incentivize customer tenure. Customer churn tends to increase when commodity prices rise, when weather driven consumption increases or spikes, or when the price to REP customers increases relative to the prices charged by competitors including incumbent utility providers.

GRE also operates several smaller non-REP businesses under its Genie Retail Energy Services (GRES) division, including Diversegy and Genie Solar Energy. Diversegy operates as an energy broker and advisor to industrial, commercial and municipal customers across deregulated energy markets in the United States. Diversegy's customers are typically not served by GRE REPs.

In 2016, GRE launched Genie Solar Energy, a provider of end-to-end solar solutions primarily for commercial customers. Genie Solar currently operates in five states – Massachusetts, New Hampshire, New Jersey, New York and Pennsylvania,

GRE's revenue represents 100% of our total consolidated revenue since inception. In 2016, GRE generated revenue of \$212 million comprised of \$179 million from sales of electricity, \$31 million from sales of natural gas, and GRES revenue of \$2 million, as compared with revenue of \$213 million in the year ended December 31, 2015 comprised of \$170 million from the sales of electricity, \$41 million from the sales of natural gas and GRES revenue of \$2 million. Electricity sales have become a more significant portion of GRE's business in recent years.

GRE's REP operations are seasonal. Approximately 43% and 64% of our natural gas revenues in 2016 and 2015, respectively, were generated during the first quarter, when the demand for heating was highest. Although the demand for electricity is not as seasonal as natural gas, approximately 31% and 29% of total revenues from electricity sales were generated in the third quarter of 2016 and 2015, respectively.

The weather has a significant impact on GRE's operations. For example, unusually sustained cold weather in the first quarter of 2014 drove increased demand for electricity and gas. Coupled with short reserves of natural gas in the wholesale markets and delivery constrictions beyond our control, this caused a significant increase in revenues and cost of revenues in the first quarter of 2014. In addition, many electricity generation plants are natural gas fired. That winter's "polar vortex" resulted in extraordinarily large spikes in the prices of wholesale electricity and natural gas in markets where GRE's REPs and other retail providers purchase their supply.

## Table of Contents

Abrupt increases in supply commodity prices when coupled with higher than anticipated demand because of extreme weather, such as during the ‘polar vortex’, can significantly reduce or eliminate GRE’s gross profit margins as we seek to cushion the impact of the price spikes on our customers. They also can trigger enhanced regulatory scrutiny of REPs, restrictive regulation and litigation.

## **Industry Overview**

GRE operates retail energy providers (REPs) that operate in states with deregulated retail energy markets. Like other REPs, GRE’s REPs purchase electricity and natural gas in the wholesale markets and resell the commodities to its customers, primarily homeowners, renters and small businesses. The incumbent local utilities continue to handle electricity and natural gas distribution, billing, and collections. The proceeds billed to GRE’s REPs customers for the commodity supply, minus a small service charge for billing and collections, is remitted to the REPs.

GRE has no significant fixed assets and low levels of capital expenditure. Its cost of revenues is incurred to purchase electricity and natural gas in their respective wholesale markets. Selling, general and administrative expenses are primarily related to customer acquisition, customer retention, billing and purchase of receivables, or POR, fees paid to the utilities, and program management.

## **Customers; Marketing**

The services of GRE’s REPs IDT Energy, Residents Energy and Town Square Energy are made available to customers under several categories of terms and conditions. The majority of our current customer base is enrolled in variable rate programs, the only programs GRE’s REPs offered until 2014, via automatically renewing or month-to-month agreements, which enable us to recover our wholesale costs for electricity and natural gas through adjustments to the rates charged to our customers. The frequency and degree of these rate adjustments is determined by GRE, and is not restricted by regulation. However, more recently the size of our fixed rate customer base has grown significantly especially with the purchase of TSE in November 2016. GRE’s Mirabito REP offers natural gas to commercial and government customers throughout Florida under variable or fixed rate programs.

Variable rate energy supply programs are available to all customers in all states served by GRE’s REPs. Likewise, Renewable (Green) energy supply options exist in all markets served by GRE’s REPs. Renewable (Green) Electricity supply is 100% matched with renewable energy certificates that reflect the generation of electricity from sources like hydro-electric wind, solar and biomass.

For our variable rate product, the amount we charge to our customers reflects the underlying commodity cost plus a markup. During times of rising costs, we typically experience higher rates of churn than when costs are declining or stable.

The electricity and natural gas we sell are metered and delivered to customers by the local utilities. Consequently, we do not have a maintenance or service staff for customer locations. The utilities also provide billing and collection services for the majority of our customers. For a small number of direct bill customers, we perform our own billing and collection. Additionally, GRE's REPs' receivables are, in many states, purchased by the utilities in whose areas we operate for a percentage of their face value (over the course of 2016, the associated cost was approximately 1.6% of revenue) in exchange for the utility receiving a first priority lien in the customer receivable without recourse against the REP.

GRE's REP businesses market their energy services primarily through direct marketing methods, including door-to-door sales, outbound telemarketing direct mail and internet signup. As of September 30, 2017, GRE serviced 446,000 meters (330,000 electric and 116,000 natural gas), as compared to 383,000 meters (263,000 electric and 120,000 natural gas) as of September 30, 2016.

## Table of Contents

GRE's strategy is to acquire profitable customers in low-risk markets, specifically where the utilities have adopted a portfolio of REP-friendly, regulatory-driven programs. Among these programs is purchase of receivables programs, where utilities are contractually obligated to purchase customer receivables at a pre-determined fixed discount. Under POR programs, utilities offer consolidated billing, where the utilities have the responsibility for billing the individual customer and the subsequent collection of the remittances. There are markets in which we operate that the utilities engage in consolidated billing on behalf of REP's but are not obligated to guarantee the receivables. Additionally, we target markets in which we can procure energy in an efficient and transparent manner. We seek to purchase wholesale energy where there is a real time market that reflects a fair price for the commodity for all participants. This allows GRE to reflect a true market cost base and adjust its rates to its variable rate customers taking into account its competitors who change their commodity prices at longer intervals.

Utilities in Connecticut, Ohio, New York, Pennsylvania, Illinois, Washington, D.C., Massachusetts and Maryland offer POR programs, without recourse, that permit customers with past-due balances to remain in the POR and consolidated bill programs. However, utilities in New Jersey generally do not permit customers with past-due balances beyond 120 days to enroll or remain in their POR programs, which means that after a certain amount of time (determined based on the specific commodity), the REP becomes responsible for the billing and collection of the commodity portion of the future invoices for its delinquent customers. Utilities in New Hampshire and Rhode Island do not offer POR but they do offer consolidated billing.

We also regularly monitor other deregulated or deregulating markets to determine if they are appropriate for entry, and may initiate the licensing process in a selected region to facilitate entry into the region contingent upon favorable deregulatory developments.

## **Acquisition and Management of Gas and Electric Supply**

Since 2009, IDT Energy and Residents Energy have been party to a Preferred Supplier Agreement with BP Energy Company, or BP. The agreement allows for purchases of electricity and natural gas for customers focused in areas where the utilities have POR programs. Under the arrangement, IDT Energy and Residents Energy purchase electricity and natural gas at market rate plus a fee. IDT Energy's obligations to BP are secured by a first security interest in deposits or receivables from utilities in connection with their purchase of IDT Energy's customer's receivables under the applicable POR program, and in any cash deposits or letters of credit posted in connection with any collateral accounts with BP. The agreement was modified and extended on November 19, 2015, and is scheduled to terminate on November 30, 2019. IDT Energy and Residents Energy's ability to purchase electricity and natural gas under this agreement is subject to satisfaction of certain conditions including the maintenance of certain covenants.

GRE is required to meet certain minimum green energy supply criteria in some of the markets in which it operates. We meet those thresholds by acquiring renewable energy certificates, or REC's. In addition, GRE offers green or other



renewable energy products to its customers in several territories. GRE acquires green renewable energy conversion rights or attributes and REC's to satisfy the load requirements for these customers.

As an owner of REPs, GRE does not own electrical power generation, transmission, or distribution facilities, or natural gas production, pipeline or distribution facilities. GRE's REPs currently contract with Dominion Transmission, Inc., National Fuel Supply, Williams Gas Pipeline and Texas Eastern Transmission and others for natural gas pipeline, storage and transportation services, and utilizes regional Independent System Operators ("ISOs") for power market access. GRE is currently active in the following ISOs for electric transmission and distribution: the New York Independent System Operator, Inc., ("NYISO"), PJM Interconnection, LLC, ("PJM"), ISO New England Inc. ("ISO- NE") and Midcontinent Independent Transmission System Operator, Inc. ("MISO"). NYISO operates the high-voltage electric transmission network in New York State, and administers and monitors New York's wholesale electricity markets. PJM is a regional transmission organization that coordinates the movement of wholesale electricity in all or parts of thirteen states (including New Jersey, Pennsylvania, Maryland and Illinois) and the District of Columbia. ISO-NE is a regional transmission organization that coordinates the movement of wholesale electricity in New England (including Massachusetts, Connecticut, Maine, New Hampshire, Vermont and Rhode Island). MISO is a regional transmission organization that coordinates the movement of wholesale electricity in all or parts of the Midwest, including parts of Illinois, Indiana, Missouri and Minnesota.

## Table of Contents

For risk management purposes, GRE REPs utilize forward physical delivery contracts for a portion of their purchases of electricity and natural gas, which are defined as commodity derivative contracts. In addition, GRE's REPs enter into put and call options as hedges against unfavorable fluctuations in market prices of electricity and natural gas.

The ISOs perform real-time load balancing for each of the electrical power grids in which GRE REPs operate. Similarly, load balancing is performed by the utilities or local distribution company ("LDC"), for each of the natural gas markets in which GRE operates. Load balancing ensures that the amount of electricity and natural gas that GRE's REPs purchase is equal to the amount necessary to service its customers' demands at any specific point in time. GRE's REPs are charged or credited for balancing the electricity and natural gas purchased and sold for their account by their suppliers and the LDCs. GRE's REPs manage the differences between the actual electricity and natural gas demands of their customers and their bulk or block purchases by buying and selling in the spot market, and through monthly cash settlements and/or adjustments to future deliveries in accordance with the load balancing performed by utilities, LDCs, and/or ISOs.

## **Competition**

As an operator of REPs, GRE competes with the local utility companies in each of the markets where it provides services and with many other licensed REPs. In some markets, competitor REPs are affiliated with local utilities. GRE also competes with several large vertically integrated energy companies. Some of these competitors are larger and better capitalized than GRE. Competition with the utilities and REPs exposes GRE to customer churn, especially since GRE's residential customers generally do not sign long-term contracts.

REPs and utilities offering fixed rate products or guaranteed pricing often are unable to change their sell rates offered to customers in response to volatility in the prices of the underlying commodities. In a rising commodity cost environment, REPs like ours that offer variable rate products, and reflect real-time commodity costs, will typically become less competitive with fixed rate providers. Conversely, in a downward moving commodity cost environment, variable rate REPs typically become more competitive as they benefit from the lag that utilities experience in reducing their sell rate to reflect the lower commodity costs.

Increasing our market share depends in part on our ability to persuade more customers to switch from other providers to GRE than those that churn from us to other providers. Moreover, local utilities and some REPs may have certain advantages such as name recognition, financial strength and long-standing relationships with customers. Persuading potential customers to switch to GRE requires significant marketing and sales operations.

## **Regulation**

While GRE's REPs variable rates are not regulated, they, like all GRE's REP programs, are governed by their terms and conditions, which are accepted by all customers. GRE's REPS are required to comply with various reporting requirements in order to maintain eligibility to operate as a REP. Certain jurisdictions require GRE's REPs to publish its customer offers with the applicable regulatory commission, or in the public domain, generally a website established for such purpose.

Because of the resulting dramatic increases in wholesale electricity costs during the winter's "polar vortex" in 2014, the retail electricity prices that GRE's REPs and many other variable rate electricity suppliers charged to their customers also increased sharply. These retail electricity price increases resulted in large numbers of complaints, regulatory actions, and calls for legislation, regulation and litigation. GRE's subsidiary, IDT Energy, also paid approximately \$5 million in rebates to affected customers in the year ended December 31, 2014. These events adversely affected GRE's REPs customer churn, gross margins and results of operations.

IDT Energy reached a settlement with the Pennsylvania Attorney General's Office and the Acting Consumer Advocate terminating litigation with no admission of liability or finding of wrongdoing by IDT Energy.

Table of Contents

*New York Public Service Commission Orders*

On February 23, 2016, the New York Public Service Commission (“PSC”) issued an order that sought to impose significant new restrictions on REPs operating in New York, including those owned by GRE. The restrictions described in the PSC’s order, which were to become effective March 4, 2016, would have required that all REPs’ electricity and natural gas offerings to residential and small business customers include an annual guarantee of savings compared to the price charged by the relevant incumbent utility or, for electricity offerings, provide at least 30% of the supply from renewable sources. Customers not enrolled in a compliant program would be relinquished back to the local utility at the end of their contract period or, for variable price customers operating on month to month agreements, at the end of the current monthly billing cycle.

On March 4, 2016, a group of parties from the REP industry sought and won a temporary restraining order to stay implementation of the most restrictive portions of the PSC’s order pending a court hearing on those parties’ motion for a preliminary injunction. On July 25, 2016, the New York State Supreme Court, County of Albany, entered a decision and order granting the Petitioners’ petition, vacated provisions 1 through 3 of the Order, which outlined the proposed rule changes referenced above, and remitted the matter to the PSC for further proceedings consistent with the Court’s order.

In December 2017, the PSC held an evidentiary hearing to assess the retail energy market in New York. That process is continuing and is expected to last for at least several more months. The Company is evaluating the potential impact of any new order from the PSC that would follow from the evidentiary process, while preparing to operate in compliance with any new requirements that may be imposed. Depending on the final language of any new order, as well as the Company’s ability to modify its relationships with its New York customers, an order could have a substantial impact upon the operations of GRE-owned REPs in New York. As of September 30, 2017, New York represented 37% of GRE’s total meters served and 29% of the total RCEs of GRE’s customer base.

On July 14, 2016, and September 19, 2016, the PSC issued orders restricting REPs, including those owned by GRE, from serving customers enrolled in New York’s utility low-income assistance programs. Representatives of the REP industry challenged the ruling in New York State Supreme Court, Albany County, and, on September 27, 2016, the Court issued an order temporarily restraining the PSC from implementing the July and September orders. On December 16, 2016, the PSC issued an order (the “2016 Order”) prohibiting REP service to customers enrolled in New York’s utility low-income assistance programs. After an agreed-upon stay of the 2016 Order, on July 5, 2017, the New York State Supreme Court, Albany County, denied interested parties’ efforts to invalidate the 2016 Order. Several REPs have appealed the Supreme Court’s decision to the Appellate Division, Third Department. That court stayed implementation of the Order for a period of time, but later lifted the stay pending resolution of the appeal.

In a related action, several customers impacted by the 2016 Order filed a putative class action in the United States District Court for the Northern District of New York, challenging the Order. Temporary stays of the 2016 Order entered in connection with this action have expired, and REPs are now required to return service of their current low-income customers to the relevant local incumbent utility on the modified schedule set forth in the PSC's 2016 Order. The Company has analyzed its customer base and returned to the incumbent utilities all of its customers that it determined to be impacted by the 2016 order at the current time. Such returned customers representing approximately 3% of the total volume of electricity and natural gas sold by the REPs operated by the Company. The Company currently has certain incentive programs in place where when the programs mature, the Company expects that it will need to return additional customers, representing approximately 1% of the total volume of electricity and natural gas sold by the REPs operated by the Company, to the incumbent utilities to comply with the 2016 Order. If challenges to the 2016 Order as currently structured are not successful, the combination of customers who have returned to the utility and the potential customer pool market in New York could have a material adverse impact on the Company's future results.

REPs such as ours must be licensed in each state and utility service territory in which they operate. Each is subject to the rules and regulations governing the operations of REPs in each jurisdiction.

As of December 31, 2017, GRE's REPs operate in eight utility territories in New York, six utility territories in New Jersey, nine utility territories in Pennsylvania, four utility territories in Maryland, six utility territories in Ohio, five utility territories in Massachusetts, two utility territories in New Hampshire, two in Connecticut, one in Rhode Island, one in Washington, D.C. and two in Illinois. The State of New York, the Commonwealth of Pennsylvania, the State of New Jersey, the State of Maryland, the State of Illinois, the District of Columbia, the State of Ohio, the State of New Hampshire, the State of Rhode Island, the State of Connecticut, the Commonwealth of Massachusetts, the federal government, and related public service/utility commissions, among others, establish the rules and regulations for our REP operations.

## Table of Contents

Like all operators of REPs, GRE is affected by the actions of governmental agencies, mostly on the state level, by the respective state Public Service/Utility Commissions, and other organizations (such as NYISO and PJM) and indirectly by the Federal Energy Regulatory Commission, or FERC. Regulations applicable to electricity and natural gas have undergone substantial change over the past several years as a result of restructuring initiatives at both the state and federal levels. We may be subject to new laws, orders or regulations or the revision or interpretation of existing laws, orders or regulations.

As of December 31, 2016, Diversegy was licensed to serve as a broker of electricity in New Jersey, Pennsylvania, Maryland, the District of Columbia, Illinois, Ohio, Rhode Island, New Hampshire, Massachusetts and Delaware, and as a gas broker in New Jersey, Maryland, Ohio, Rhode Island, New Hampshire, Virginia, Pennsylvania and the District of Columbia.

## **Employees**

As of December 31, 2017, GRE employed 173 full time employees, 72 of whom are located in the Jamestown, New York office, of which approximately 85% are affiliated with our customer care center, 54 of whom are located in our New Jersey office, 10 of whom are located in our Arizona office and 37 of whom are located in the Florida office performing customer acquisition and support.

## *Genie Oil and Gas, Inc.*

Genie Oil and Gas (GOGAS) is an oil and gas exploration company. GOGAS currently holds an 85.1% interest in Afek, which operates in the southern portion of the Golan Heights in Northern Israel. In addition, GOGAS holds an interest in three inactive or disbanded projects including an 88.2% interest in Genie Mongolia, Inc., an oil shale exploration project in Central Mongolia, a 98.3% interest in AMSO, which operated American Shale Oil, LLC, or AMSO, LLC, an oil shale development project in Colorado that was substantially decommissioned, and an 86.1% interest in IEL, an oil shale development project in Israel's Shfela Basin.

## **Afek Oil and Gas Ltd.**

In April 2013, the Government of Israel finalized the award to Afek of an exclusive three-year petroleum exploration license covering 396.5 square kilometers in the southern portion of the Golan Heights in Northern Israel. The license has been extended to April 2018. Israel's Northern District Planning and Building Committee granted Afek a one-year

permit that commenced in February 2015, which has been subsequently extended to April 18, 2018, to conduct an up to ten-well oil and gas exploration program. This permit as extended is expected to cover the remainder of Afek's ongoing exploration program in the area covered by its exploration license.

In February 2015, Afek began drilling its first exploratory well. To date, Afek has completed drilling five wells in the Southern region of its license area. Based on the analysis of the first five wells and market conditions at that time, in the third quarter of 2016, Afek determined that it did not have a clear path to demonstrate probable or possible reserves in the Southern region of its license area over the next 12 to 18 months. Since there was substantial doubt regarding the economic viability of these wells, in the third quarter of 2016, Afek wrote off the \$41.0 million of capitalized exploration costs incurred in the Southern region.

Afek turned its operational focus to the Northern region of its license area. The data analyzed to date suggests that the Southern block resources may extend Northward at depths potentially sufficient to have induced a greater level of maturation of the resource. To validate this hypothesis, in 2017, Afek commenced drilling its sixth exploratory well – the first well in the Northern region of its license area.

## Table of Contents

The company announced in November 2017 that the preliminary analysis of results from its completed Ness 10 exploratory well in Northern Israel suggests that the well's target zone does not contain commercially producible quantities of oil or natural gas and that it was suspending drilling operations pending further analysis. That analysis is ongoing at this time.

On a quarterly basis the Company assesses the economic and operational viability of the Afek project which requires significant estimates and assumptions by management. Depending on the results of that assessment as of December 31, 2017, if we can no longer support that Afek is making sufficient progress toward assessing the reserves and economic operating viability of the well, we may be required to record an impairment of up to approximately \$5.7 million of costs that were capitalized as of September 30, 2017.

## **Employees**

GOGAS employs 10 employees. Afek also retains the services of a number of professional consultants, including geologists, hydrologists, drilling and completions engineers, process engineers, environmental experts, permitting consultants, energy experts, legal, and land designation and acquisition consultants.

## **Securities We May Offer**

We may offer shares of our Class B common stock and warrants to purchase Class B common stock from time to time under this prospectus, together with any applicable prospectus supplement and related free writing prospectus, at prices and on terms to be determined by market conditions at the time of offering. This prospectus provides you with a general description of the securities we may offer. Each time we offer a type or series of securities, we will provide a prospectus supplement that will describe the specific amounts, prices and other important terms of the securities, including, to the extent applicable:

designation or classification;

aggregate principal amount or aggregate offering price;

maturity, if applicable;

conversion or exchange prices or rates, if any, and, if applicable, any provisions for changes to or adjustments in the conversion or exchange prices or rates and in the securities or other property receivable upon conversion or exchange;



ranking;

restrictive covenants, if any;

voting or other rights, if any; and

important United States federal income tax considerations.

A prospectus supplement and any related free writing prospectus that we may authorize to be provided to you may also add, update or change information contained in this prospectus or in documents we have incorporated by reference. However, no prospectus supplement or free writing prospectus will offer a security that is not registered and described in this prospectus at the time of the effectiveness of the registration statement of which this prospectus is a part.

Table of Contents

We may sell the securities directly to or through underwriters, dealers or agents. We, and our underwriters or agents, reserve the right to accept or reject all or part of any proposed purchase of securities. If we do offer securities through underwriters or agents, we will include in the applicable prospectus supplement:

the names of those underwriters or agents;

applicable fees, discounts and commissions to be paid to them;

details regarding over-allotment options, if any; and

the net proceeds to us.

**Class B Common Stock**

We may offer shares of our Class B common stock, par value \$0.01 per share, either alone or underlying other registered securities convertible into or exercisable for our Class B common stock. Holders of our Class B common stock are entitled dividends as our board of directors may declare from time to time out of legally available funds, subject to the preferential rights of the holders of any shares of our preferred stock that are outstanding or that we may issue in the future. Currently, we do not have any issued and outstanding preferred stock. Each holder of our Class B common stock is entitled to one tenth of one vote per share. In this prospectus, we provide a general description of, among other things, our dividend policy and the rights and restrictions that apply to holders of our Class B common stock. Our Class B common stock is described in greater detail in this prospectus under “Description of Capital Stock — Class B Common Stock.”

**Warrants**

We may from time to time offer warrants for the purchase of our Class B common stock in one or more series. We may issue warrants independently or together with Class B common stock, and the warrants may be attached to or separate from those securities.

The warrants may be evidenced by warrant certificates issued under one or more warrant agreements, which are contracts between us and an agent for the holders of the warrants. In this prospectus, we have summarized certain general features of the warrants under “Description of Warrants.” We urge you, however, to read the prospectus

supplements and any free writing prospectus that we may authorize to be provided to you related to the series of warrants being offered, as well as the complete warrant agreements and warrant certificates that contain the terms of the warrants. Specific warrant agreements will contain additional important terms and provisions and will be incorporated by reference as an exhibit to the registration statement which includes this prospectus.

Table of Contents

**RISK FACTORS**

Investment in our securities involves risks. Prior to making a decision about investing in our securities, you should consider carefully all of the information included and incorporated by reference or deemed to be incorporated by reference in this prospectus or the applicable prospectus supplement, including the risk factors incorporated by reference herein from our Form 10-K for the fiscal year ended December 31, 2016, as updated by annual, quarterly and other reports and documents we file with the Securities and Exchange Commission (the “SEC”) since December 31, 2016, including after the date of this prospectus and that are incorporated by reference herein or in the applicable prospectus supplement. Each of these risk factors could have a material adverse effect on our business, results of operations, financial position or cash flows, which may result in the loss of all or part of your investment.

*We have identified a material weakness in our internal control over financial reporting and if we fail to remediate this material weakness and maintain proper and effective internal control over financial reporting, our ability to produce accurate and timely financial statements could be impaired and may lead investors and other users to lose confidence in our published financial data.*

Maintaining effective internal control over financial reporting is necessary for us to produce reliable financial statements.

In evaluating the effectiveness of disclosure controls and procedures and our internal control over financial reporting as of March 31, 2017, June 30, 2017 and September 30, 2017, management concluded that a deficiency in the design and operating effectiveness of the Company’s internal controls represented a material weakness in the Company’s internal control over financial reporting and, therefore, that the Company did not maintain effective disclosure controls and procedures or internal control over financial reporting as of March 31, 2017, June 30, 2017 and September 30, 2017.

The unaudited consolidated statement of operations for the three months ended March 31, 2017 and June 30, 2017 had been restated to properly reflect the Company’s revenues, cost of revenues, income from operations, net income and earnings per share for those three-month periods. Certain amounts recorded in the second quarter of 2017 should properly have been recorded in the first quarter.

In addition, in evaluating the effectiveness of our internal control over financial reporting as of December 31, 2013, management identified material weaknesses in our internal control over financial reporting and those material weaknesses were successfully remediated. In evaluating the effectiveness of our internal control over financial reporting as of September 30, 2016, management identified material weaknesses in our internal control over financial

reporting and those material weaknesses were successfully remediated by December 31, 2016. Also, as of December 31, 2016, management review controls associated with the completeness and accuracy of computations relating to domestic and foreign income tax accounts and disclosures were not effective. Notwithstanding the material weakness described above, we performed additional analyses and other procedures to enable management to conclude that our financial statements included in the applicable Forms 10-K fairly presented, in all material respects, our financial condition and results of operations as of and for the years ended December 31, 2016 and 2015.

We have begun implementing measures to remediate the material weakness and improve our internal control over financial reporting. Management and our Audit Committee will monitor these remedial measures and the effectiveness of our internal controls and procedures. We will work to continually improve our internal control process and will diligently review our financial reporting controls and procedures. However, if our remedial measures prove to be insufficient to address the material weakness, or if additional material weaknesses or significant deficiencies in our internal control over financial reporting are discovered or occur in the future, our consolidated financial statements may contain material misstatements and we could be required to restate our financial results.

Table of Contents

*Our current strategy is based on current regulatory conditions and assumptions, which could change or prove to be incorrect.*

Regulation over the electricity and natural gas markets has been in flux at the state and federal levels. In particular, any changes adopted by the FERC, or changes in state or federal laws or regulations (including greenhouse gas laws) may affect the prices at which GRE purchases electricity or natural gas for its customers. While we endeavor to pass along increases in energy costs to our customers pursuant to our variable rate customer offerings, we may not always be able to do so due to competitive market forces and the risk of losing our customer base.

On February 23, 2016, the New York PSC issued an order that sought to impose significant new restrictions on REPs operating in New York, including those owned by GRE. The restrictions described in the PSC's order, which were to become effective March 4, 2016, would require that all REPs' electricity and natural gas offerings to residential and small business customers include an annual guarantee of savings compared to the price charged by the relevant incumbent utility or, for electricity offerings, provide at least 30% of the supply from renewable sources. Customers not enrolled in a compliant program would be relinquished back to the local utility at the end of their contract period or, for variable price customers operating on month to month agreements, at the end of the current monthly billing cycle.

On March 4, 2016, a group of parties from the REP industry sought and won a temporary restraining order to stay implementation of the most restrictive portions of the PSC's order pending a court hearing on those parties' motion for a preliminary injunction. On July 25, 2016, the New York State Supreme Court, County of Albany, entered a decision and order granting the Petitioners' petition, vacated provisions 1 through 3 of the Order, which outlined the proposed rule changes referenced above, and remitted the matter to the PSC for further proceedings consistent with the Court's order.

In December 2017, the PSC held an evidentiary hearing to assess the retail energy market in New York. That process is continuing and is expected to last for at least several more months. The Company is evaluating the potential impact of any new order from the PSC that would follow from the evidentiary process, while preparing to operate in compliance with any new requirements that may be imposed. Depending on the final language of any new order, as well as the Company's ability to modify its relationships with its New York customers, an order could have a substantial impact upon the operations of GRE-owned REPs in New York. As of September 30, 2017, New York represented 37% of GRE's total meters served and 29% of the total RCEs of GRE's customer base.

On July 14, 2016, and September 19, 2016, the PSC issued orders restricting REPs, including those owned by GRE, from serving customers enrolled in New York's utility low-income assistance programs. Representatives of the REP industry challenged the ruling in New York State Supreme Court, Albany County, and, on September 27, 2016, the Court issued an order temporarily restraining the PSC from implementing the July and September orders. On

December 16, 2016, the PSC issued an order (the “2016 Order”) prohibiting REP service to customers enrolled in New York’s utility low-income assistance programs. After an agreed-upon stay of the 2016 Order, on July 5, 2017, the New York State Supreme Court, Albany County, denied interested parties’ efforts to invalidate the 2016 Order. Several REPs have appealed the Supreme Court’s decision to the Appellate Division, Third Department. That court stayed implementation of the Order for a period of time, but later lifted the stay pending resolution of the appeal.

In a related action, several customers impacted by the 2016 Order filed a putative class action in the United States District Court for the Northern District of New York, challenging the Order. Temporary stays of the 2016 Order entered in connection with this action have expired, and REPs are now required to return service of their current low-income customers to the relevant local incumbent utility on the modified schedule set forth in the PSC’s 2016 Order. The Company has analyzed its customer base and returned to the incumbent utilities all of its customers that it determined to be impacted by the 2016 order at the current time. Such returned customers representing approximately 3% of the total volume of electricity and natural gas sold by the REPs operated by the Company. The Company currently has certain incentive programs in place where when the programs mature, the Company expects that it will need to return additional customers, representing approximately 1% of the total volume of electricity and natural gas sold by the REPs operated by the Company, to the incumbent utilities to comply with the 2016 Order. If challenges to the 2016 Order as currently structured are not successful, the combination of customers who have returned to the utility and the potential customer pool market in New York could have a material adverse impact on the Company’s future results.

Table of Contents

Legislators and regulators may enact or modify laws or regulation to prevent the repetition of price spikes experienced in prior periods or address customer complaints that have come to light in connection with those events. Potential regulatory and/or legislative changes may impact our ability to use our established sales and marketing channels. Any changes in these factors, or any significant changes in industry development, could have an adverse effect on our revenues, profitability and growth or threaten the viability of our current business model.

*The effects of the Tax Cuts and Jobs Act on our business have not yet been fully analyzed and could have an adverse effect on our business and financial position.*

On December 22, 2017, the Tax Cuts and Jobs Act (the “Act”) was signed into law. We are in the process of analyzing the Act and its possible effects on the Company. The Act reduces the corporate tax rate to 21 percent from 35 percent, among other things. Our deferred tax assets and related valuation allowance will be adjusted using the newly enacted rate and the adjustment will be recorded recognized within income tax expense in the fourth quarter of fiscal 2017. To the extent that the accounting for certain income tax effects of the Act is incomplete at the time our 2017 Form 10-K is filed, we will follow Staff Accounting Bulletin No. 118, which provides guidance for situations where the accounting for the Act under ASC Topic 740 is incomplete.

**SPECIAL NOTE REGARDING FORWARD-LOOKING INFORMATION**

This prospectus and the documents incorporated herein by reference contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on our management’s current beliefs, expectations and assumptions about future events, conditions and results and on information currently available to us. Discussions containing these forward-looking statements may be found, among other places, in the Sections entitled “Business,” “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” incorporated by reference from our most recent Annual Report on Form 10-K and in our Quarterly Reports on Form 10-Q, as well as any amendments thereto, filed with the SEC.

All statements, other than statements of historical fact, included or incorporated herein regarding our strategy, future operations, financial position, future revenues, projected costs, plans, prospects and objectives are forward-looking statements. Words such as “expect,” “anticipate,” “intend,” “plan,” “believe,” “seek,” “estimate,” “think,” “may,” “could,” “wi,” “should,” “continue,” “potential,” “likely,” “opportunity” and similar expressions or variations of such words are intended to identify forward-looking statements, but are not the exclusive means of identifying forward-looking statements. Additionally, statements concerning future matters such as our expectations of business and market conditions, development and commercialization of new products, enhancements of existing products or technologies, and other statements regarding matters that are not historical are forward-looking statements. Such statements are based on currently available operating, financial and competitive information and are subject to various risks, uncertainties and assumptions that could cause actual results to differ materially from those anticipated or implied in our



forward-looking statements due to a number of factors including, but not limited to, those set forth above under the section entitled “Risk Factors” in this prospectus and any accompanying prospectus supplement. Given these risks, uncertainties and other factors, many of which are beyond our control, you should not place undue reliance on these forward-looking statements.

Except as required by law, we assume no obligation to update these forward-looking statements publicly, or to revise any forward-looking statements to reflect events or developments occurring after the date of this prospectus, even if new information becomes available in the future.

Table of Contents

**UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL INFORMATION**

On November 2, 2016, we acquired Retail Energy Holdings, LLC ("REH"), a privately held retail energy provider, for \$9.5 million in cash plus \$1.4 million for net working capital. REH operates as Town Square Energy in eight Eastern states, serving approximately 47,000 electricity residential customer equivalents. REH's licenses and customer base expands Genie Retail Energy's geographic footprint to four new states – New Hampshire, Rhode Island, Massachusetts and Connecticut – and provides additional electricity customers in New Jersey, Maryland, Ohio and Pennsylvania. REH will be operated as a wholly owned subsidiary utilizing the Town Square Energy brand.

The acquisition was accounted for as a purchase, with the assets acquired and liabilities assumed recorded at fair values, and the results of REH's operations included in the Company's consolidated financial statements from the date of acquisition.

The accompanying condensed consolidated statement of operation illustrates the effect of the acquisition ("Pro Forma") on the Company's results of operations. The condensed consolidated statement of operations for the year ended December 31, 2016 is based on the historical statement of operations of the Company for the year ended December 31, 2016 and the historical statement of operations of REH for period from January 1, 2016 through the date of acquisition. The pro forma condensed consolidated statement of operations assumes the acquisition took place on January 1, 2016.

The accompanying condensed consolidated pro forma financial statements should be read in connection with the historical financial statements of the Company.

The proforma financial information is unaudited and is not necessarily indicative of the results which would have occurred if the transaction described above had been consummated on January 1, 2016 for the proforma condensed consolidated statement of operations, nor does it purport to represent the future results of operations for future periods. In management's opinion, all adjustments necessary to reflect the effects of the transaction listed above have been made.

Table of Contents**GENIE ENERGY LTD.****PROFORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

(in thousands, except per share data)

(unaudited)

	Genie Energy Historical	REH Historical	Proforma Adjustments	Proforma
Revenues:				
Electricity	\$ 179,467	\$ 31,035		\$ 210,502
Natural gas	31,031			31,031
Other	1,614			1,614
Total revenues	212,112	31,035		243,147
Cost of revenues	(135,172)	(26,221 )		(161,393)
Gross profit	76,940	4,814		81,754
Operating expenses, (gains) and losses:				
Selling, general and administrative	61,569	4,863	1,008	(A) 67,440
Research and development	(269 )			(269 )
Exploration	6,088			6,088
Write-off of capitalized exploration costs	41,041			41,041
Other operating loss, net	64			64
Gain on consolidation of AMSO, LLC	(1,262 )			(1,262 )
Equity in the net loss of AMSO, LLC	222			222
Loss from operations	(30,513 )	(49 )	(1,008 )	(31,570 )
Interest income	332	5		337
Other income, net	207	(67 )		140
Loss before income taxes	(29,974 )	(111 )	(1,008 )	(31,093 )
Provision for income taxes	(2,218 )			(B) (2,218 )
Net loss	(32,192 )	(111 )	(1,008 )	(33,311 )
Net loss attributable to noncontrolling interests	7,667			7,667
Net loss attributable to Genie Energy Ltd.	(24,525 )			(25,644 )
Dividends on preferred stock	(1,481 )			(1,481 )
Net loss attributable to Genie Energy Ltd. common stockholders.	\$(26,006 )			\$(27,125 )
Basic and diluted loss per share attributable to Genie Energy Ltd. common stockholders	\$(1.14 )			\$(1.19 )
Weighted-average number of shares used in calculation of basic and diluted loss per share	22,804			22,804



Table of Contents**GENIE ENERGY LTD.****NOTES AND MANAGEMENT'S ASSUMPTIONS****TO THE PROFORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited)

1. On November 2, 2016, GRE acquired Retail Energy Holdings, LLC ("REH"), a privately held owner of REPs, for \$9.5 million plus \$1.4 million for REH's working capital, or an aggregate cash payment of \$10.9 million. The amount paid for REH's working capital is subject to adjustment. REH operates as Town Square Energy in eight states. REH's licenses and customer base expanded GRE's geographic footprint to four new states – New Hampshire, Rhode Island, Massachusetts and Connecticut – and provided additional electricity customers in New Jersey, Maryland, Ohio and Pennsylvania. REH operates as a wholly owned subsidiary utilizing the Town Square Energy brand. REH's operating results from the date of acquisition, which were not significant, are included in the Company's consolidated financial statements.

The components of the purchase price and its allocation to the assets and liabilities of REH are as follows:

(in thousands)

Trade accounts receivable	\$3,614
Inventory	287
Prepaid expenses	81
Other current assets	26
Property and equipment	110
Trademark	2,100
Non-compete agreement	110
Customer relationships	2,100
Goodwill	5,065
Other assets	1,600
Revolving line of credit	(1,919 )
Trade accounts payable	(2,620 )
Accrued expenses	(1,542 )
Net assets excluding cash acquired	\$9,012
Supplemental information:	
Cash paid	\$10,949
Cash acquired	(2,249 )
Cash paid, net of cash acquired	8,700
Liability for additional purchase price	312
Total consideration, net of cash acquired	\$9,012

The goodwill resulting from the acquisition is primarily attributable to the existing workforce of the acquired entities and synergies expected from the combination of GRE and REH's REP businesses. None of the goodwill is deductible for income tax purposes.

2. The following is a description of the proforma adjustments to the historical condensed consolidated financial statements:

Reflects the addition of amortization of intangible assets acquired as if the acquisition was consummated on (A) January 1, 2016. Amortization was computed on a straight-line basis using a 20 year weighted average life for the trademark and 2 year weighted average life for the non-compete agreement and customer relationships.

Prior to its acquisition, REH was not a taxable entity and was disregarded for federal income tax purposes. As such, REH did not directly pay federal income tax in all periods presented. The Company maintains a full (B) valuation allowance on its federal income tax assets and as such any federal tax benefit in 2016 resulting from REH's operations would be fully reserved resulting in a \$0 net effect. Therefore, no provision for federal income taxes has been made.

Table of Contents

**USE OF PROCEEDS**

Except as described in any applicable prospectus supplement and in any free writing prospectuses in connection with a specific offering, we currently intend to use the net proceeds from the sale of the securities offered hereby for general corporate purposes, which may include, among other things, working capital, capital expenditures, other corporate expenses and acquisitions of complementary services, technologies or businesses.

We have not determined the amount of net proceeds to be used specifically for the foregoing purposes. As a result, our management will have broad discretion in the allocation of the net proceeds and investors will be relying on the judgment of our management regarding the application of the proceeds of any sale of the securities. Pending these uses, we intend to invest the net proceeds in investment-grade, short-term, interest-bearing securities.

Table of Contents

**DESCRIPTION OF SECURITIES WE MAY OFFER**

We may offer shares of our Class B common stock and warrants to purchase Class B common stock from time to time under this prospectus, together with any applicable prospectus supplement and related free writing prospectus, at prices and on terms to be determined by market conditions at the time of offering. This prospectus provides you with a general description of the securities we may offer. Each time we offer a type or series of securities, we will provide a prospectus supplement that will describe the specific amounts, prices and other important terms of the securities. We may offer up to \$25,000,000 of securities under this prospectus.



Table of Contents

**DESCRIPTION OF OUR CAPITAL STOCK**

Our authorized capital stock consists of (i) 35 million shares of Class A common stock, (ii) 200 million shares of Class B common stock, and (iii) 10 million shares of Preferred Stock.

The following statements set forth the material terms of our classes of authorized stock; however, reference is made to the more detailed provisions of, and such statements are qualified in their entirety by reference to, our Amended and Restated Certificate of Incorporation, which has been filed as an exhibit to registration statement on Form 10 of which this Information Statement forms a part.

**Class A Common Stock**

Holders of shares of our Class A common stock are entitled to three votes for each share on all matters to be voted on by the stockholders. Holders of our Class A common stock are entitled to share ratably in dividends, if any, as may be declared from time to time by the Board of Directors in its discretion from funds legally available therefor. Each share of our Class A common stock may be converted, at any time and at the option of the holder, and automatically converts upon transfers to unaffiliated parties, into one fully paid and non-assessable share of our Class B common stock.

As of January 31, 2018, there were 1,574,326 shares of our Class A common stock outstanding.

**Class B Common Stock**

Holders of shares of our Class B common stock are entitled to one tenth of one vote for each share on all matters to be voted on by the stockholders. Holders of our Class B common stock are entitled to share ratably in dividends, if any, as may be declared from time to time by the Board of Directors in its discretion from funds legally available therefor. Our Class B common stock is listed on the NYSE.

As of January 31, 2018, there were 23,294,886 shares of our Class B common stock outstanding.

## **Preferred Stock**

The Board of Directors has the authority to fix the price, rights, preferences, privileges and restrictions, including voting rights, of those shares without any further vote or action by the stockholders.

The Series 2012-A preferred stock was established by resolutions of the Board of Directors of the Company on July 30, 2012. Holders of our Series 2012-A Preferred Stock are entitled to one tenth of one vote for each share on all matters to be voted on by the stockholders. Our Series 2012-A preferred stock is listed on the NYSE.

Each share of our Series 2012-A preferred stock has a liquidation preference of \$8.50 (the “Liquidation Preference”), and is entitled to receive an annual dividend per share equal to the sum of (i) \$0.6375 (the “Base Dividend”) plus (ii) seven and one-half percent (7.5%) of the quotient obtained by dividing (A) the amount by which the EBITDA for a fiscal year of our retail energy provider business exceeds \$32 million by (B) 8,750,000 (the “Additional Dividend”), payable in cash. EBITDA consists of income (loss) from operations exclusive of depreciation and amortization and other operating gains (losses).

The Series 2012-A Preferred Stock is redeemable, in whole or in part, at our option following October 11, 2017 at 101% of the Liquidation Preference plus accrued and unpaid dividends, and 100% of the Liquidation Preference plus accrued and unpaid dividends following October 11, 2018.

During any period when we have failed to pay a dividend on the Series 2012-A preferred stock and until all unpaid dividends have been paid in full, we are prohibited from paying dividends or distributions on our Class B or Class A common stock.

Table of Contents

The Base Dividend is payable (if declared by our Board of Directors, and accrued, if not declared) quarterly on each February 15, May 15, August 15 and November 15, and to the extent that there is any Additional Dividend payable with respect to a fiscal year, it will be paid to holders of Series 2012-A preferred stock with the May dividend. With respect to the payment of dividends and amounts upon liquidation, dissolution or winding up, the Series 2012-A preferred stock is equal in rank to all other equity securities we issue, the terms of which specifically provide that such equity securities rank on a parity with the Series 2012-A preferred stock with respect to dividend rights or rights upon our liquidation, dissolution or winding up; senior to our common stock; and junior to all of our existing and future indebtedness.

As of January 31, 2018, there were 2,322,699 shares of our Series 2012-A preferred stock outstanding.

**Anti-Takeover Effects of Our Charter and By-Laws**

Some provisions of Delaware law and our Certificate of Incorporation and By-Laws could make the following more difficult:

- acquisition of us by means of a tender offer;
- acquisition of us by means of a proxy contest or otherwise; or
- removal of our incumbent officers and directors.

These provisions, summarized below, are expected to discourage coercive takeover practices and inadequate takeover bids. These provisions also are designed to encourage persons seeking to acquire control of us to first negotiate with our Board of Directors. We believe that the benefits of increased protection give us the potential ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire or restructure us and outweigh the disadvantages of discouraging those proposals because negotiation of them could result in an improvement of their terms.

***Certificate of Incorporation; By-Laws***

Our Certificate of Incorporation and By-Laws contain provisions that could make more difficult the acquisition of us by means of a tender offer, a proxy contest or otherwise. These provisions are summarized below.

*Undesignated Preferred Stock.* The authorization of our undesignated preferred stock makes it possible for our Board of Directors to issue our preferred stock with voting or other rights or preferences that could impede the success of any attempt to change control of us. These and other provisions may have the effect of deferring hostile takeovers or delaying changes of control of our management.

*Size of Board and Vacancies.* Our Certificate of Incorporation provides that the number of directors on our Board of Directors will be fixed exclusively by our Board of Directors. Newly created directorships resulting from any increase in our authorized number of directors or any vacancies in our Board of Directors resulting from death, resignation, retirement, disqualification, removal from office or other cause will be filled solely by the vote of our remaining directors in office.

*Stockholder Meetings.* Under our By-Laws, only our (i) Chief Executive Officer, (ii) President or (iii) Corporate Secretary may call special meetings of our stockholders.

#### **Transfer Agent and Registrar**

The transfer agent and registrar for our capital stock is American Stock Transfer & Trust, LLC.

Table of Contents

**DESCRIPTION OF WARRANTS**

The following description, together with the additional information we may include in any applicable prospectus supplements and free writing prospectuses, summarizes the material terms and provisions of the warrants that we may offer under this prospectus, which may consist of warrants to purchase Class B common stock and may be issued in one or more series. Warrants may be offered independently or together with Class B common stock offered by any prospectus supplement, and may be attached to or separate from those securities. While the terms we have summarized below will apply generally to any warrants that we may offer under this prospectus, we will describe the particular terms of any series of warrants that we may offer in more detail in the applicable prospectus supplement and any applicable free writing prospectus. The terms of any warrants offered under a prospectus supplement may differ from the terms described below. However, no prospectus supplement will fundamentally change the terms that are set forth in this prospectus or offer a security that is not registered and described in this prospectus at the time of its effectiveness.

We will issue the warrants under a warrant agreement that we will enter into with a warrant agent to be selected by us. The warrant agent will act solely as an agent of ours in connection with the warrants and will not act as an agent for the holders or beneficial owners of the warrants. We will file as exhibits to the registration statement of which this prospectus is a part, or will incorporate by reference from a current report on Form 8-K that we file with the SEC, the form of warrant agreement, including a form of warrant certificate, that describes the terms of the particular series of warrants we are offering before the issuance of the related series of warrants. The following summaries of material provisions of the warrants and the warrant agreements are subject to, and qualified in their entirety by reference to, all the provisions of the warrant agreement and warrant certificate applicable to a particular series of warrants. We urge you to read the applicable prospectus supplement and any applicable free writing prospectus related to the particular series of warrants that we sell under this prospectus, as well as the complete warrant agreements and warrant certificates that contain the terms of the warrants.

**General**

We will describe in the applicable prospectus supplement the terms relating to a series of warrants, including:

the offering price and aggregate number of warrants offered;

the currency for which the warrants may be purchased;

if applicable, the designation and terms of the securities with which the warrants are issued and the number of warrants issued with each such security or each principal amount of such security;

if applicable, the date on and after which the warrants and the related securities will be separately transferable;

the number of shares of Class B common stock purchasable upon the exercise of one warrant and the price at which these shares may be purchased upon such exercise;

the effect of any merger, consolidation, sale or other disposition of our business on the warrant agreements and the warrants;

the terms of any rights to redeem or call the warrants;

any provisions for changes to or adjustments in the exercise price or number of securities issuable upon exercise of the warrants;

the dates on which the right to exercise the warrants will commence and expire;

the manner in which the warrant agreements and warrants may be modified;

United States federal income tax consequences of holding or exercising the warrants; and

any other specific terms, preferences, rights or limitations of or restrictions on the warrants.

## Table of Contents

Before exercising their warrants, holders of warrants will not have any of the rights of holders of the Class B common stock purchasable upon such exercise, including the right to receive dividends, if any, or payments upon our liquidation, dissolution or winding up or to exercise voting rights, if any.

### **Exercise of Warrants**

Each warrant will entitle the holder to purchase the securities that we specify in the applicable prospectus supplement at the exercise price that we describe in the applicable prospectus supplement. Unless we otherwise specify in the applicable prospectus supplement, holders of the warrants may exercise the warrants at any time up to the specified time on the expiration date that we set forth in the applicable prospectus supplement. After the close of business on the expiration date, unexercised warrants will become void.

Holders of the warrants may exercise the warrants by delivering the warrant certificate representing the warrants to be exercised together with specified information, and paying the required amount to the warrant agent in immediately available funds, as provided in the applicable prospectus supplement. We will set forth on the reverse side of the warrant certificate and in the applicable prospectus supplement the information that the holder of the warrant will be required to deliver to the warrant agent.

Upon receipt of the required payment and the warrant certificate properly completed and duly executed at the corporate trust office of the warrant agent or any other office indicated in the applicable prospectus supplement, we will issue and deliver the securities purchasable upon such exercise. If fewer than all of the warrants represented by the warrant certificate are exercised, then we will issue a new warrant certificate for the remaining amount of warrants. If we so indicate in the applicable prospectus supplement, holders of the warrants may surrender securities as all or part of the exercise price for warrants.

### **Enforceability of Rights by Holders of Warrants**

Each warrant agent will act solely as our agent under the applicable warrant agreement and will not assume any obligation or relationship of agency or trust with any holder of any warrant. A single bank or trust company may act as warrant agent for more than one issue of warrants. A warrant agent will have no duty or responsibility in case of any default by us under the applicable warrant agreement or warrant, including any duty or responsibility to initiate any proceedings at law or otherwise, or to make any demand upon us. Any holder of a warrant may, without the consent of the related warrant agent or the holder of any other warrant, enforce by appropriate legal action its right to exercise, and receive the securities purchasable upon exercise of, its warrants.





Table of Contents

**LEGAL OWNERSHIP OF SECURITIES**

We can issue securities in registered form or in the form of one or more global securities. We describe global securities in greater detail below. We refer to those persons who have securities registered in their own names on the books that we or any applicable trustee or depositary or warrant agent maintain for this purpose as the “holders” of those securities. These persons are the legal holders of the securities. We refer to those persons who, indirectly through others, own beneficial interests in securities that are not registered in their own names, as “indirect holders” of those securities. As we discuss below, indirect holders are not legal holders, and investors in securities issued in book-entry form or in street name will be indirect holders.

**Book-Entry Holders**

We may issue securities in book-entry form only, as we will specify in the applicable prospectus supplement. This means securities may be represented by one or more global securities registered in the name of a financial institution that holds them as depositary on behalf of other financial institutions that participate in the depositary’s book-entry system. These participating institutions, which are referred to as participants, in turn, hold beneficial interests in the securities on behalf of themselves or their customers.

Only the person in whose name a security is registered is recognized as the holder of that security. Global securities will be registered in the name of the depositary or its participants. Consequently, for global securities, we will recognize only the depositary as the holder of the securities, and we will make all payments on the securities to the depositary. The depositary passes along the payments it receives to its participants, which in turn pass the payments along to their customers who are the beneficial owners. The depositary and its participants do so under agreements they have made with one another or with their customers; they are not obligated to do so under the terms of the securities.

As a result, investors in a global security will not own securities directly. Instead, they will own beneficial interests in a global security, through a bank, broker or other financial institution that participates in the depositary’s book-entry system or holds an interest through a participant. As long as the securities are issued in global form, investors will be indirect holders, and not legal holders, of the securities.

**Street Name Holders**

We may terminate a global security or issue securities that are not issued in global form. In these cases, investors may choose to hold their securities in their own names or in “street name.” Securities held by an investor in street name would be registered in the name of a bank, broker or other financial institution that the investor chooses, and the investor would hold only a beneficial interest in those securities through an account he or she maintains at that institution.

For securities held in street name, we or any applicable trustee or depositary will recognize only the intermediary banks, brokers and other financial institutions in whose names the securities are registered as the holders of those securities, and we or any such trustee or depositary will make all payments on those securities to them. These institutions pass along the payments they receive to their customers who are the beneficial owners, but only because they agree to do so in their customer agreements or because they are legally required to do so. Investors who hold securities in street name will be indirect holders, not legal holders, of those securities.

### **Legal Holders**

Our obligations, as well as the obligations of any applicable trustee or third party employed by us or a trustee, run only to the legal holders of the securities. We do not have obligations to investors who hold beneficial interests in global securities, in street name or by any other indirect means. This will be the case whether an investor chooses to be an indirect holder of a security or has no choice because we are issuing the securities only in global form.

For example, once we make a payment or give a notice to the holder, we have no further responsibility for the payment or notice even if that holder is required, under agreements with its participants or customers or by law, to pass it along to the indirect holders but does not do so. Similarly, we may want to obtain the approval of the holders to amend an indenture, to relieve us of the consequences of a default or of our obligation to comply with a particular provision of an indenture, or for other purposes. In such an event, we would seek approval only from the legal holders, and not the indirect holders, of the securities. Whether and how the legal holders contact the indirect holders is up to the legal holders.

Table of Contents

**Special Considerations for Indirect Holders**

If you hold securities through a bank, broker or other financial institution, either in book-entry form because the securities are represented by one or more global securities or in street name, you should check with your own institution to find out:

how it handles securities payments and notices;

whether it imposes fees or charges;

how it would handle a request for the holders' consent, if ever required;

whether and how you can instruct it to send you securities registered in your own name so you can be a legal holder, if that is permitted in the future;

how it would exercise rights under the securities if there were a default or other event triggering the need for holders to act to protect their interests; and

if the securities are in book-entry form, how the depositary's rules and procedures will affect these matters.

**Global Securities**

A global security is a security that represents one or any other number of individual securities held by a depositary. Generally, all securities represented by the same global securities will have the same terms.

Each security issued in book-entry form will be represented by a global security that we issue to, deposit with and register in the name of a financial institution or its nominee that we select. The financial institution that we select for this purpose is called the depositary. Unless we specify otherwise in the applicable prospectus supplement, The Depository Trust Company, New York, New York, known as DTC, will be the depositary for all securities issued in book-entry form.

A global security may not be transferred to or registered in the name of anyone other than the depositary, its nominee or a successor depositary, unless special termination situations arise. We describe those situations below under "—Special Situations When A Global Security Will Be Terminated." As a result of these arrangements, the depositary, or its nominee, will be the sole registered owner and legal holder of all securities represented by a global security, and investors will be permitted to own only beneficial interests in a global security. Beneficial interests must be held by

means of an account with a broker, bank or other financial institution that in turn has an account with the depositary or with another institution that does. Thus, an investor whose security is represented by a global security will not be a legal holder of the security, but only an indirect holder of a beneficial interest in the global security.

If the prospectus supplement for a particular security indicates that the security will be issued as a global security, then the security will be represented by a global security at all times unless and until the global security is terminated. If termination occurs, we may issue the securities through another book-entry clearing system or decide that the securities may no longer be held through any book-entry clearing system.

Table of Contents

**Special Considerations For Global Securities**

As an indirect holder, an investor's rights relating to a global security will be governed by the account rules of the investor's financial institution and of the depositary, as well as general laws relating to securities transfers. We do not recognize an indirect holder as a holder of securities and instead deal only with the depositary that holds the global security.

If securities are issued only as global securities, an investor should be aware of the following:

an investor cannot cause the securities to be registered in his or her name, and cannot obtain non-global certificates for his or her interest in the securities, except in the special situations we describe below;

an investor will be an indirect holder and must look to his or her own bank or broker for payments on the securities and protection of his or her legal rights relating to the securities, as we describe above;

an investor may not be able to sell interests in the securities to some insurance companies and to other institutions that are required by law to own their securities in non-book-entry form;

an investor may not be able to pledge his or her interest in the global security in circumstances where certificates representing the securities must be delivered to the lender or other beneficiary of the pledge in order for the pledge to be effective;

the depositary's policies, which may change from time to time, will govern payments, transfers, exchanges and other matters relating to an investor's interest in the global security. We and any applicable trustee have no responsibility for any aspect of the depositary's actions or for its records of ownership interests in the global security. We and the trustee also do not supervise the depositary in any way;

the depositary may, and we understand that DTC will, require that those who purchase and sell interests in the global security within its book-entry system use immediately available funds, and your broker or bank may require you to do so as well; and

financial institutions that participate in the depositary's book-entry system, and through which an investor holds its interest in the global security, may also have their own policies affecting payments, notices and other matters relating to the securities. There may be more than one financial intermediary in the chain of ownership for an investor. We do not monitor and are not responsible for the actions of any of those intermediaries.

**Special Situations When A Global Security Will Be Terminated**

In a few special situations described below, a global security will terminate and interests in it will be exchanged for physical certificates representing those interests. After that exchange, the choice of whether to hold securities directly or in street name will be up to the investor. Investors must consult their own banks or brokers to find out how to have their interests in securities transferred to their own names, so that they will be direct holders. We have described the rights of holders and street name investors above.

A global security will terminate when the following special situations occur:

if the depositary notifies us that it is unwilling, unable or no longer qualified to continue as depositary for that global security and we do not appoint another institution to act as depositary within 90 days;

if we notify any applicable trustee that we wish to terminate that global security; or

if an event of default has occurred with regard to securities represented by that global security and has not been cured or waived.

The applicable prospectus supplement may also list additional situations for terminating a global security that would apply only to the particular series of securities covered by the prospectus supplement. When a global security terminates, the depositary, and neither we nor any applicable trustee, is responsible for deciding the names of the institutions that will be the initial direct holders.

Table of Contents

**PLAN OF DISTRIBUTION**

We may sell the securities being offered hereby in one or more of the following ways from time to time:

through agents to the public or to investors;

to underwriters for resale to the public or to investors;

in “at the market” offerings, within the meaning of Rule 415(a)(4) of the Securities Act, to or through a market maker or into an existing trading market on an exchange or otherwise;

directly to investors; or

through a combination of any of these methods of sale.

We will set forth in a prospectus supplement the terms of the particular offering of securities, including:

the name or names of any agents or underwriters;

the purchase price of the securities being offered and the proceeds we will receive from the sale;

any over-allotment options under which underwriters may purchase additional securities from us;

any agency fees or underwriting discounts and other items constituting agents’ or underwriters’ compensation;

any initial public offering price;

any discounts or concessions allowed or re-allowed or paid to dealers; and

any securities exchanges or markets on which such securities may be listed.

## **Agents**

We may designate agents who agree to use their reasonable efforts to solicit purchases of our securities for the period of their appointment or to sell our securities on a continuing basis.

## **Underwriters**

If we use underwriters for a sale of securities, the underwriters will acquire the securities for their own account. The underwriters may resell the securities in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale. The obligations of the underwriters to purchase the securities will be subject to the conditions set forth in the applicable underwriting agreement. The underwriters will be obligated to purchase all the securities of the series offered if they purchase any of the securities of that series. We may change from time to time any initial public offering price and any discounts or concessions the underwriters allow or reallow or pay to dealers. We may use underwriters with whom we have a material relationship. We will describe the nature of any such relationship in any prospectus supplement naming any such underwriter. Only underwriters we name in the prospectus supplement are underwriters of the securities offered by the prospectus supplement.

## **Direct Sales**

We may also sell securities directly to one or more purchasers without using underwriters or agents. Underwriters, dealers and agents that participate in the distribution of the securities may be underwriters as defined in the Securities Act, and any discounts or commissions they receive from us and any profit on their resale of the securities may be treated as underwriting discounts and commissions under the Securities Act. We will identify in the applicable prospectus supplement any underwriters, dealers or agents and will describe their compensation. We may have agreements with the underwriters, dealers and agents to indemnify them against specified civil liabilities, including liabilities under the Securities Act. Underwriters, dealers and agents may engage in transactions with or perform services for us in the ordinary course of their businesses.



Table of Contents

**Trading Markets and Listing of Securities**

Unless otherwise specified in the applicable prospectus supplement, each class or series of securities will be a new issue with no established trading market, other than our Class B common stock and Series 2012-A preferred stock, which are listed on the NYSE. We may elect to list any other securities or class or series of securities on any exchange or market, but we are not obligated to do so. Any listing may be cancelled at any time. It is possible that one or more underwriters may make a market in a class or series of securities, but the underwriters will not be obligated to do so and may discontinue any market making at any time without notice. We cannot give any assurance as to the liquidity of the trading market for any of the securities.

**Stabilization Activities**

Any underwriter may engage in overallotment, stabilizing transactions, short covering transactions and penalty bids in accordance with Regulation M under the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Overallotment involves sales in excess of the offering size, which create a short position. Stabilizing transactions permit bids to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum. Short covering transactions involve purchases of the securities in the open market after the distribution is completed to cover short positions. Penalty bids permit the underwriters to reclaim a selling concession from a dealer when the securities originally sold by the dealer are purchased in a covering transaction to cover short positions. Those activities may cause the price of the securities to be higher than it would otherwise be. If commenced, the underwriters may discontinue any of these activities at any time.

**Passive Market Making**

Any underwriters who are qualified may engage in passive market making transactions in accordance with Rule 103 of Regulation M, during the business day prior to the pricing of the offering, before the commencement of offers or sales of the securities. Passive market makers must comply with applicable volume and price limitations and must be identified as passive market makers. In general, a passive market maker must display its bid at a price not in excess of the highest independent bid for such security. If all independent bids are lowered below the passive market maker’s bid, however, the passive market maker’s bid must then be lowered when certain purchase limits are exceeded.

**LEGAL MATTERS**

Schwell Wimpfheimer & Associates, New York, New York, will pass for us upon the validity of the securities being offered by this prospectus and applicable prospectus supplement, and counsel named in the applicable prospectus supplement will pass upon legal matters for any underwriters, dealers or agents.

## **EXPERTS**

The consolidated financial statements as of December 31, 2016 and 2015 and for each of the three years in the period ended December 31, 2016 and management's assessment of the effectiveness of internal control over financial reporting as of December 31, 2016 incorporated by reference in this Prospectus have been so incorporated in reliance on the reports of BDO USA, LLP, an independent registered public accounting firm (the report on the effectiveness of internal control over financial reporting expresses an adverse opinion on the effectiveness of the company's internal control over financial reporting as of December 31, 2016), incorporated herein by reference, given on the authority of said firm as experts in auditing and accounting.

Table of Contents

**WHERE YOU CAN FIND ADDITIONAL INFORMATION**

We are a reporting company and file annual, quarterly and current reports, proxy statements and other information with the SEC. We have filed with the SEC a registration statement on Form S-3 under the Securities Act with respect to the securities we are offering under this prospectus. This prospectus does not contain all of the information set forth in the registration statement and the exhibits to the registration statement. For further information with respect to us and the securities we are offering under this prospectus, we refer you to the registration statement and the exhibits and schedules filed as a part of the registration statement. You may read and copy the registration statement, as well as our reports, proxy statements and other information, at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. You can request copies of these documents by writing to the SEC and paying a fee for the copying cost. Please call the SEC at 1-800-SEC-0330 for more information about the operation of the Public Reference Room. The SEC maintains an internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC, where our SEC filings are also available. The address of the SEC's web site is <http://www.sec.gov>. We maintain a website at <http://www.genie.com>. Information contained in or accessible through our website does not constitute a part of this prospectus.

**INCORPORATION OF CERTAIN INFORMATION BY REFERENCE**

The SEC allows us to "incorporate by reference" information that we file with it into this prospectus, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is an important part of this prospectus. Information in this prospectus supersedes information incorporated by reference that we filed with the SEC prior to the date of this prospectus, while information that we file later with the SEC will automatically update and supersede the information in this prospectus. We incorporate by reference into this registration statement and prospectus the following documents, and any future filings we will make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of the initial registration statement but prior to effectiveness of the registration statement and after the date of this prospectus but prior to the termination of the offering of the securities covered by this prospectus (other than current reports or portions thereof furnished under Item 2.02 or Item 7.01 of Form 8-K):

Our Annual Report on Form 10-K for the year ended December 31, 2016, filed with the SEC on March 16, 2017;

Our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2017, June 30, 2017 and September 30, 2017, filed with the SEC on May 10, 2017, August 9, 2017 and November 9, 2017, respectively, and amendments on Form 10-Q/A for the quarters ended March 31, 2017 and June 30, 2017, filed with the SEC on November 16, 2017;

Our Current Reports on Form 8-K filed with the SEC on January 12, 2017, January 13, 2017, March 8, 2017, March 28, 2017, March 29, 2017, April 5, 2017, May 3, 2017, May 5, 2017, July 10, 2017, July 13, 2017,

Edgar Filing: Genie Energy Ltd. - Form S-3

July 20, 2017, August 3, 2017, August 14, 2017, October 19, 2017, November 2, 2017, November 6, 2017; November 16, 2017 and January 2, 2018;

Our definitive proxy statement on Schedule 14A filed with the SEC on April 4, 2017; and

The description of our Class B common stock set forth under Item 11 in Post-Effective Amendment No. 1 to the Registrant's Registration Statement on Form 10, filed with the SEC on November 14, 2011, including any amendment or report filed for the purpose of updating such information.

We will provide each person, including any beneficial owner, to whom a prospectus is delivered, a copy of any or all of the information that has been incorporated by reference into this prospectus but not delivered with this prospectus upon written or oral request at no cost to the requester. Requests should be directed to: Genie Energy Ltd 520 Broad Street, Newark, NJ 07012, Attn: Investor Relations, or you may call us at (973) 438-3500.

Table of Contents

**GENIE ENERGY LTD.**

**\$25,000,000**

**Class B Common Stock**

**Warrants**

**PROSPECTUS**

[ , 2018]

Table of Contents

**PART II**

**INFORMATION NOT REQUIRED IN PROSPECTUS**

**14. Other Expenses of Issuance and Distribution**

The following statement sets forth the estimated expenses in connection with the offering described in the registration statement (all of which will be borne by Genie Energy Ltd.).

Securities and Exchange Commission Fee	\$3,112.50
Accountants' Fees and Expenses	(1)
Legal Fees and Expenses	(1)
Printing Fees	(1)
Miscellaneous	(1)
TOTAL	(1)

(1) These fees are calculated based on the securities offered and the number of issuances and accordingly cannot be estimated at this time.

**15. Indemnification of Officers and Directors**

Delaware law authorizes corporations to eliminate the personal liability of directors to corporations and their stockholders for monetary damages for breach or alleged breach of the directors' "duty of care". While the relevant statute does not change directors' duty of care, it enables corporations to limit available relief to equitable remedies such as injunction or rescission. The statute has no effect on directors' duty of loyalty, acts or omissions not in good faith or involving intentional misconduct or knowing violations of law, illegal payment of dividends and approval of any transaction from which a director derives an improper personal benefit.

The Company has adopted provisions in its Amended and Restated Certificate of Incorporation, as amended, which eliminate the personal liability of its directors to the Company and its stockholders for monetary damages for breach or alleged breach of their duty of care. The bylaws of the Company provide for indemnification of its directors, officers, employees and agents to the fullest extent permitted by the General Corporation Law of the State of Delaware, the Company's state of incorporation, including those circumstances in which indemnification would otherwise be discretionary under Delaware Law. Section 145 of the General Corporation Law of the State of Delaware permits a corporation to indemnify any director or officer of the corporation against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred in connection with any action, suit, or proceeding brought by reason of the fact that such person is or was a director or officer of the

corporation, if such person acted in good faith and in a manner that he or she reasonably believed to be in, or not opposed to, the best interests of the corporation, and, with respect to any criminal action or proceeding, if he or she had no reason to believe his or her conduct was unlawful. In a derivative action, or an action brought by or on behalf of the corporation, indemnification may be provided only for expenses actually and reasonably incurred by any director or officer in connection with the defense or settlement of such an action or suit if such person acted in good faith and in a manner that he or she reasonably believed to be in, or not opposed to, the best interests of the corporation, except that no indemnification shall be provided if such person shall have been adjudged to be liable to the corporation, unless and only to the extent that the court in which the action or suit was brought shall determine that the defendant is fairly and reasonably entitled to indemnity for such expenses despite such adjudication of liability.

The Company may enter into indemnification agreements with certain of its executive officers and directors, indemnifying them against certain potential liabilities that may arise as a result of their service to the Company, and providing certain other protections. The Company also maintains insurance policies which insure the officers and directors against certain liabilities.

II-1



Table of Contents

**16. Exhibits**

**EXHIBIT LIST**

**EXHIBIT**

**NUMBER DESCRIPTION**

- |      |   |
|------|---|
| 3.1  | <u>Amended and Restated Certificate of Incorporation of Genie Energy Ltd. (1)</u>                   |
| 3.2  | <u>Amended and Restated By-laws of Genie Energy Ltd. (2)</u>  |
| 5.1  | <u>Opinion of Schwell, Wimpfheimer &amp; Associates LLP.</u>  |
| 23.1 | <u>Consent for Schwell, Wimpfheimer &amp; Associates is included in its opinion in Exhibit 5.1.</u> |
| 23.2 | <u>Consent of BDO USA, LLP.</u>   |
| 23.3 | <u>Consent of Baker Tilly Virchow Krause, LLP</u>   |
| 24.1 | <u>Power of Attorney (included on signature page of this registration statement).</u>               |

(1) Incorporated by reference to Form 10-12G/A, filed October 7, 2011.

(2) Incorporated by reference to Form 8-K filed August 9, 2012.

**17. Undertakings**

The undersigned registrant hereby undertakes:

1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement: (i) to include any prospectus required by Section 10(a)(3) of the Securities Act; (ii) to reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Securities and Exchange Commission (the "Commission"), pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20 percent change in the maximum aggregate

offering price set forth in the “Calculation of Registration Fee” table in the effective registration statement; and (iii) to include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

*Provided, however,* that paragraphs (a)(1)(i), (a)(1)(ii) and (a)(1)(iii) do not apply if the registration statement is on Form S-3 or Form F-3 and the information required to be included in a post-effective amendment by those paragraphs is contained in reports filed with or furnished to the Commission by the registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 (the “Exchange Act”), that are incorporated by reference in the registration statement, or is contained in a form of prospectus filed pursuant to Rule 424(b) that is part of the registration statement.

2) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

Table of Contents

4) That, for the purpose of determining liability under the Securities Act to any purchaser:

i. Each prospectus filed by the registrant pursuant to Rule 424(b)(3) shall be deemed to be part of the registration statement as of the date the filed prospectus was deemed part of and included in the registration statement; and

ii. Each prospectus required to be filed pursuant to Rule 424(b)(2), (b)(5) or (b)(7) as part of a registration statement in reliance on Rule 430B relating to an offering made pursuant to Rule 415(a)(1)(i), (vii) or (x) for the purpose of providing the information required by Section 10(a) of the Securities Act shall be deemed to be part of and included in the registration statement as of the earlier of the date such form of prospectus is first used after effectiveness or the date of the first contract of sale of securities in the offering described in prospectus. As provided in Rule 430B, for liability purposes of the issuer and any person that is at that date an underwriter, such date shall be deemed to be a new effective date of the registration statement relating to the securities in the registration statement to which the prospectus relates, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof. *Provided, however*, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such effective date, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such effective date.

5) That, for the purpose of determining liability of the registrant under the Securities Act to any purchaser in the initial distribution of the securities, the undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

i. Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;

ii. Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;

iii. The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of an undersigned registrant; and

iv. Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

6) That, for purposes of determining any liability under the Securities Act, each filing of the registrant's annual report pursuant to section 13(a) or section 15(d) of the Exchange Act (and, where applicable, each filing of an employee benefit plan's annual report pursuant to section 15(d) of the Exchange Act) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

7) To file an application for the purpose of determining the eligibility of the trustee to act under subsection (a) of Section 310 of the Trust Indenture Act in accordance with the rules and regulations prescribed by the Commission under Section 305(b)(2) of the Trust Indenture Act.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

Table of Contents

**SIGNATURES**

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned thereunto duly authorized in the City of Newark, State of New Jersey, on February 2, 2018.

**GENIE ENERGY LTD.**

By: /s/ Michael Stein  
Michael Stein  
Chief Executive Officer

**POWER OF ATTORNEY**

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Michael Stein as his true and lawful attorneys-in-fact and agents, with full powers of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments to this registration statement (including post-effective amendments and any related registration statements filed pursuant to Rule 462 and otherwise), and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents and full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully for all intents and purposes as he might or could do in person, hereby ratifying and confirming that said attorney-in-fact and agent, or any substitute or resubstitute, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed by the following persons in the capacities indicated and as of February 2, 2018.

**Signature**

**Titles**

/s/ Howard S. Jonas    Chairman of the Board  
**Howard S. Jonas**

/s/ James A Courter    Vice Chairman of the Board  
**James A. Courter**

Edgar Filing: Genie Energy Ltd. - Form S-3

/s/ Michael Stein      Chief Executive Officer  
**Michael Stein**      (Principal Executive Officer)

/s/ Avi Goldin      Chief Financial Officer  
**Avi Goldin**      (Principal Financial Officer and Principal Accounting Officer)

/s/ W. Wesley Perry      Director  
**W. Wesley Perry**

/s/ Alan Rosenthal      Director  
**Alan Rosenthal**

/s/ Allan Sass      Director  
**Allan Sass**