



Shannon **Burchett,**

chief executive officer Risk Limited Corporation

“There is no substitute for trading experience,” says Shannon Burchett, when asked what single facet of his background qualifies him to head up Dallas-based Risk Limited Corporation, an international investment and financial advisory services group that specializes in the energy industry.

“Working on the large trading floors on Wall Street gives insights on deal valuation not found elsewhere,” he says. “It is an experience in managing financial and business risks, and in transaction structuring and closing deals that I’ve not observed anywhere else in business.”

Burchett’s resumé identifies him as much more than a trader, however. His 15 years’ experience on Wall Street includes stints with some of the leading financial institutions worldwide. He has served in a range of management roles at Duke Louis Dreyfus, Chase, Salomon’s Philbro trading division, PepsiCo’s commodities division, Aetna, Bankers Trust and as international portfolio manager for Union Carbide.

In 1998, he was named president of Ameren Energy in St. Louis, Missouri, leading that company from start-up to full operations. It was a process that transformed the company from a traditional utility with a service area in eastern Missouri and southern Illinois to a diverse energy company with a wholesale trading operation, an energy services business unit and global market aspirations.

But it was earlier, in 1990, prior to the Gulf War, that Burchett first became involved in commodities trading – an experience that led him to his current position.

“We all saw first-hand the volatility of a commodity such as oil during a political and economic crisis and its various implications, including the need for adequate risk management procedures,” says Burchett. “That had a profound impact on all of us.”

The Wall Street experience and his various positions in capital markets proved valuable to Burchett in building financial, risk management and strategic expertise, he says. And it also helped him

own advisory firm, Burchett formed Risk Limited with the objective of creating a platform for offering strategic support to companies in rapidly changing industry sectors, primarily energy and telecommunications. His premise was that companies in environments undergoing dramatic change needed special expertise in order to make the strategic shifts necessary to survive and thrive in these new conditions. He says the business model of combining strategic management experience and risk management expertise has proved successful for Risk Limited and its clients.

Risk Limited has since grown into a network of consultants and advisors who offer insights drawn from direct experience rather than just conceptual or theoretical advice. Among the company’s advisors is Lawrence Kitchen, the Koch Industries trader who is credited with doing the first ever over-the-counter energy swap transaction that ultimately led to the formation of the energy derivatives market.

Burchett is the principal investor in Risk Limited, but he anticipates bringing in new investors in 2001 or 2002 to bolster infrastructure and venture into Web-enabled products.

“One of the areas in which we are focusing more efforts is the use of the internet for delivery of information and client interaction,” he says. “I adhere to the concept that the internet changes everything, so we are assessing what opportunities that creates for our clients and in turn for Risk Limited and our business model.”

Thus far, Risk Limited has focused its advisory and risk management services on the range of energy sectors in North America, such as natural gas, electricity, crude oil and refined products, and on electricity in Europe. But Burchett says the company is now looking for possible alliances with local firms to expand into Latin American markets, particularly Mexico, which he feels holds tremendous growth opportunities.

He feels the services his firm provides are becoming more and more critical because of restructuring and the dramatic changes such as restructuring and con-

establish an extensive network of contacts that he says is now critical for sourcing talent and finding and assessing business counterparties for client deals.

Burchett, who holds an MBA degree from Tulane University in New Orleans and is an adjunct professor of finance there, also uses the institution as a source of academic talent for quantitative issues and energy market analysis.

Leaving Ameren in 1999 to start his

vergence taking place in energy and telecoms markets.

Burchett adds: “For those energy companies that can seize on the opportunities, this is a phenomenal time to be in the energy and power business. But the financial risks can be extreme for companies faced with restructuring, so the demand will be high for the type of real-world expertise offered by companies such as Risk Limited.” ■