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## Correction: KFx Inc.'s Case of He Said/She Said Leads To Falling Share Price

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Correction 9/19/06 at 22.10 EST (1) clarifies that Mr Gutowski's short article simply pointed out the original Asensio allegation, and (2) provides a link to the most recent Asensio report:

**Jonathan Liss submits:** Excerpt from our [One Page Annotated Wall Street Journal Summary](#) (receive it by email every morning by [signing up here](#)):

### AHEAD OF THE TAPE: Losing Heat

- **Summary:** KFx Inc. (AMEX: [KFX - News](#)), a company which offers combined energy, environmental and economic solutions to coal-fired power generating facilities and industrial coal users, aims to make low-quality coal burn better. KFx's share price has more than quadrupled since 2002 on the tails of the commodities bull market. On Sept. 1, KFx shares fell 5% after Pacific Growth Equities analyst Michael Horwitz said he'd heard that one of KFx's industrial customers had rejected a delivery of coal because it didn't produce enough heat and its dust content was high and unsafe. The company fired back with a press release saying Mr. Horwitz's report was an "apparently malicious attempt to damage our stockholders" without "any attempt to verify the facts." Mr. Horwitz responded that he tried to contact KFx's management prior to his comment; he failed to comment further. Last week, KFx's share prices fell even more after it announced a test-run at a different customer, utility operator FirstEnergy. Investors initially felt the release was short on details leading to the fall in share price. Then, in a follow-up, KFx said there had been excess dust in a delivery to FirstEnergy (NYSE: [FE - News](#)) and that a few of the coal cars it shipped arrived with "elevated heat content."
- **Comment on related stocks/ETFs:** According to the WSJ article, "One critic, Manuel Asensio, has posted videos and pictures on the Web purporting to document KFx's problems." George Gutowski first reported Manuel Asensio's critiques of the company [in February](#), and provided relevant links. Asensio's web site contains its [report about the FirstEnergy shipment](#).



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