

8-K - 2019-07-08

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8-K

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **July 8, 2019**

Camber Energy, Inc.

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of
incorporation)

001-32508

(Commission File Number)

20-2660243

(I.R.S. Employer Identification No.)

1415 Louisiana, Suite 3500, Houston, Texas 77002

(Address of principal executive offices)

(210) 998-4035

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ? Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ? Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ? Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ? Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.001 Par Value Per Share	CEI	NYSE American

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter). ?

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 13(a) of the Exchange Act. ?

Item 3.01. Notice of Delisting or Failure to Satisfy a Continued Listing Rule or Standard; Transfer of Listing.

On July 2, 2019, Camber Energy, Inc. (the “Company”) received notification (the “Deficiency Letter”) from the NYSE American LLC (“NYSE American”) that it is not in compliance with certain NYSE American continued listing standards (the “Listing Standards”). The Deficiency Letter indicated that the Company’s securities have been selling for a low price per share for a substantial period of time. Pursuant to Section 1003(f)(v) of the NYSE American Company Guide, the NYSE American staff determined that the Company’s continued listing is predicated on it effecting a reverse stock split of its common stock or otherwise demonstrating sustained price improvement within a reasonable period of time, which the staff determined to be until January 2, 2020. In connection with such Deficiency Letter and in order to comply with the NYSE American’s request for the Company to complete a reverse stock split, the Company completed the Reverse Stock Split discussed below under Item 3.03 on July 8, 2019.

The Company’s common stock will continue to be listed on the NYSE American (with a .BC indicator added to its trading symbol) while it attempts to regain compliance with the Listing Standards, subject to the Company’s compliance with other continued listing requirements. The NYSE American notification does not affect the Company’s business operations or its reporting obligations under the Securities and Exchange Commission regulations and rules and does not conflict with or cause an event of default under any of the Company’s material agreements.

The Company issued a press release on the same day of this report announcing that it had received the Deficiency Letter. See Item 8.01 below.

Item 3.03. Material Modification to Rights of Security Holders.

As previously disclosed, pursuant to the authorization provided by the Company’s stockholders at the Company’s February 19, 2019, annual meeting (pursuant to which the Company’s stockholders granted authority to the Board of Directors, in its sole discretion, to determine whether to proceed with a reverse stock split and, if the Board of Directors so determined, to select the reverse stock ratio, in a ratio of between 1-for-5 and 1-for-25), the Board of Directors approved, on July 1, 2018, a 1-for-25 reverse stock split of the Company’s issued and outstanding shares of common stock (the “Reverse Stock Split”).

Reason for the Reverse Stock Split

The Reverse Stock Split was effected solely to enable the Company to expeditiously meet the low price per share selling price requirements of the NYSE American (which the Company was previously advised it would be in non-compliance with, and was formally notified of non-compliance with pursuant to the Deficiency Letter, as discussed above in Item 3.01), to reduce the risk of the Company being automatically delisted from the NYSE American due to the trading price of its common stock falling below \$0.06 per share, which typically triggers the NYSE American to begin delisting procedures regarding a listed company’s securities, and to position the Company’s capitalization for the planned closing of the Lineal Star Holdings transaction as previously disclosed.

Effects of the Reverse Stock Split

Effective Date; Symbol; CUSIP Number. The Reverse Stock Split became effective at 12:01 a.m. Central Standard Time on July 8, 2019, and was reflected with the NYSE American and in the marketplace at the open of business on July 8, 2019 (the “Effective Date”), whereupon the shares of common stock began trading on a split-adjusted basis. In connection with the Reverse Stock Split, the Company’s shares of common stock will continue to trade on the NYSE American under the symbol “CEI” but will trade under a new CUSIP Number, 13200M 409.

Split Adjustment; No Fractional Shares. On the Effective Date, the total number of shares of the Company's common stock held by each stockholder were converted automatically into the number of whole shares of common stock equal to (i) the number of issued and outstanding shares of common stock held by such stockholder immediately prior to the Reverse Stock Split, divided by (ii) 25.

No fractional shares will be issued, and no cash or other consideration will be paid. Instead, the Company will issue one whole share of the post-Reverse Stock Split common stock to any stockholder who otherwise would have received a fractional share as a result of the Reverse Stock Split.

Non-Certificated Shares; Certificated Shares. Stockholders who are holding their shares in electronic form at brokerage firms do not have to take any action as the effect of the Reverse Stock Split will automatically be reflected in their brokerage accounts.

Stockholders holding paper certificates may (but are not required to) send the certificates to the Company's transfer agent at the address given below. The transfer agent will issue a new share certificate reflecting the terms of the Reverse Stock Split to each requesting stockholder.

ClearTrust, LLC
16540 Pointe Village Dr, Suite 205
Lutz, Florida 33558
Phone: (813) 235-4490
Fax: (813) 388-4549

Please contact ClearTrust, LLC for further information, related costs and procedures before sending any certificates.

Certificate of Amendment to Articles of Incorporation. The Reverse Stock Split was affected by the Company filing a Certificate of Amendment to its Articles of Incorporation (the "Certificate") with the Secretary of State of the State of Nevada on July 3, 2019. The Certificate was not effective until the Effective Date. As discussed above, the stockholders previously granted authority to the Board of Directors of the Company to complete the Reverse Stock Split at the February 19, 2019 annual meeting, which authority the Board of Directors relied upon in approving the filing of the Certificate.

Capitalization. As of July 8, 2019 (immediately prior to the Effective Date), there were 53,874,930 shares of common stock outstanding. As a result of the Reverse Stock Split, there are approximately 2,154,998 shares of common stock outstanding (subject to adjustment due to the effect of rounding fractional shares into whole shares). The Reverse Stock Split will not have any effect on the stated par value of the common stock or the number of authorized shares of common stock (250,000,000 shares).

The Reverse Stock Split does not affect the Company's authorized preferred stock. After the Reverse Stock Split, the Company's authorized preferred Stock of 10,000,000 shares remained unchanged. Additionally, the Reverse Stock Split will not affect the par value of the preferred stock, or previously designated series of preferred stock, except to affect, where applicable, the conversion rates and voting rights of such preferred stock.

Each stockholder's percentage ownership interest in the Company and proportional voting power remains virtually unchanged as a result of the Reverse Stock Split, except for minor changes and adjustments that will result from rounding fractional shares into whole shares. The rights and privileges of the holders of shares of common stock will be substantially unaffected by the Reverse Stock Split.

All options, warrants and convertible securities of the Company outstanding immediately prior to the Reverse Stock Split (to the extent they don't provide otherwise) will be appropriately adjusted by dividing the number of shares of common stock into which the options, warrants and convertible securities are exercisable or convertible by 25 and multiplying the exercise or conversion price thereof by 25, as a result of the Reverse Stock Split.

Item 5.03. Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

The information required by this Item 5.03 is set forth in Item 3.03 above, which information is incorporated herein by reference.

Item 8.01. Other Information.

On July 8, 2019, the Company issued a press release disclosing receipt of the Deficiency Letter and its non-compliance with the Listing Standards and announcing the effectiveness of the 1-for-25 reverse stock split of the Company's issued and outstanding common stock. A copy of the press release is attached as Exhibit 99.1 hereto and incorporated in this Item 8.01 by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description of Exhibit
3.1*	Certificate of Amendment to Articles of Incorporation (1-for-25 Reverse Stock Split of Common Stock) filed with the Nevada Secretary of State on July 3, 2019, and effective July 8, 2019
99.1**	Press Release Dated July 8, 2019

* Filed herewith.

** Furnished herewith.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CAMBER ENERGY, INC.

By: /s/ Robert Schleizer
Name: *Robert Schleizer*
Title: Chief Financial Officer

Date: July 8, 2019

EXHIBIT INDEX

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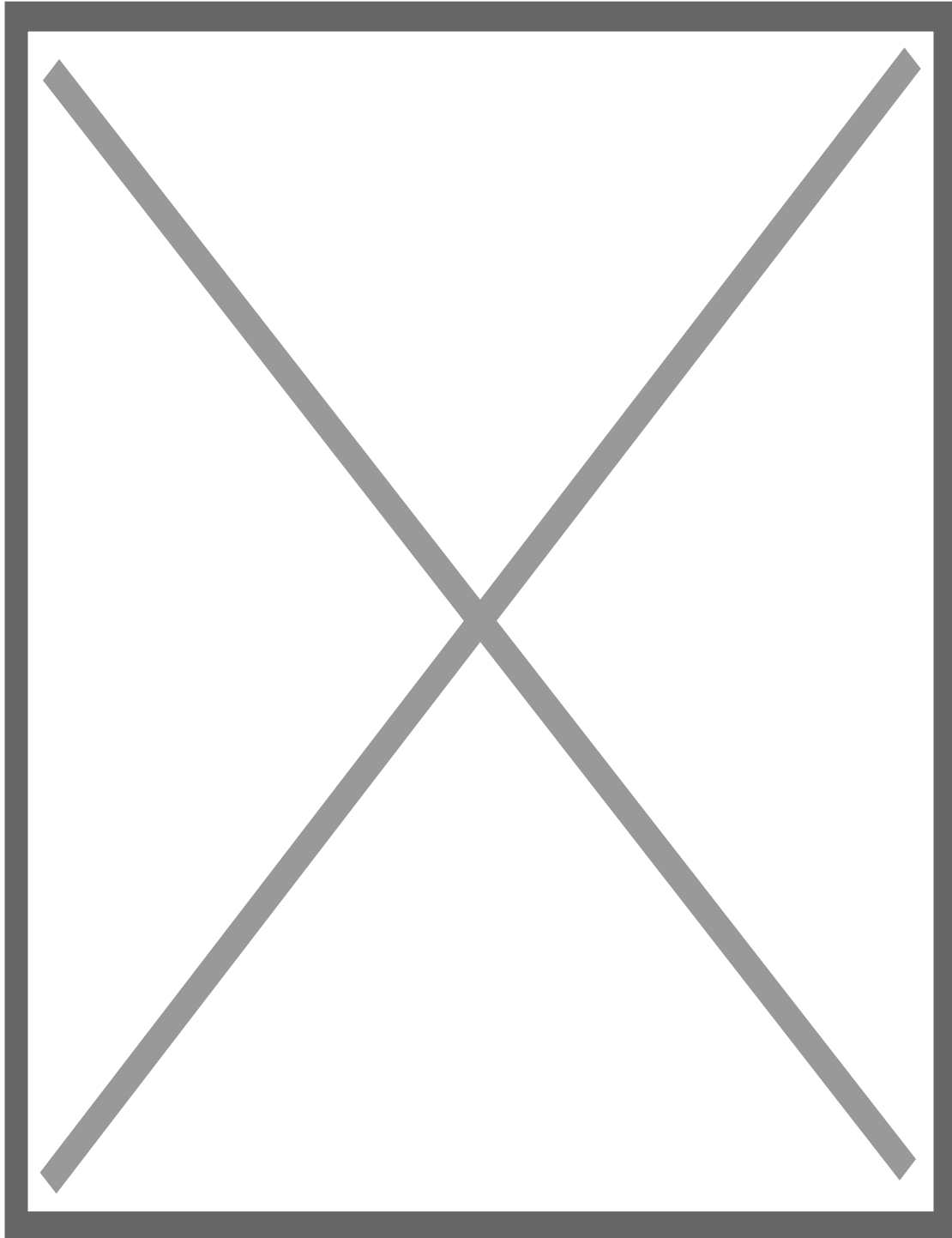
** Furnished herewith.

EX-3.1

EX-3.1 2 ex3-1.htm CERTIFICATE OF AMENDMENT TO ARTICLES OF INCORPORATION

[Camber Energy, Inc. 8-K](#)

Exhibit 3.1



ARTICLE FOUR. CAPITAL STOCK

A. General Authorization.

The Corporation has the authority to issue Two Hundred Sixty Million (260,000,000) shares of stock consisting of:

- (1)*Common Stock*. Two Hundred and Fifty Million (250,000,000) shares of common stock, having a par value of \$0.001 per share (the “**Common Stock**”); and
- (2)*Preferred Stock*. Ten Million (10,000,000) shares of Preferred Stock having a par value of \$0.001 per share (the “**Preferred Stock**”).

All capital stock when issued shall be fully paid and nonassessable. No holder of shares of stock of this Corporation is entitled as such to any pre-emptive or preferential rights to subscribe to any unissued stock or any other securities which the Corporation may now or hereafter issue.

B. Common Stock.

- (1)*Number of Shares*. The Common Stock shall consist of Two Hundred and Fifty Million (250,000,000) shares.
- (2)*Voting*. Except as provided in these Articles of Incorporation or by applicable law, each holder of Common Stock is entitled to one vote for each share of Common Stock held of record on all matters as to which Common Stockholders are entitled to vote, which voting rights shall not be cumulative in any election of Directors.
- (3)*Other Rights*. Each share of Common Stock issued and outstanding shall be identical in all respects with each other such share, and no dividends shall be paid on any shares of Common Stock unless the same dividend is paid on all shares of Common Stock outstanding at the time of such payment. Except for and subject to those rights expressly granted to the holders of Preferred Stock and except as may be provided by the laws of the State of Nevada, the Common Stockholders shall have all other rights of stockholders.

C. Preferred Stock.

Subject to the terms contained in any designation of a series of Preferred Stock, the Board of Directors is expressly authorized, at any time and from time to time, to fix, by resolution or resolutions, the following provisions for shares of any class or classes of Preferred Stock of the Corporation:

- (1) The designation of such class or series, the number of shares to constitute such class or series which may be increased (but not below the number of shares of that class or series then outstanding) by a resolution of the Board of Directors;
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- (2) Whether the shares of such class or series shall have voting rights, in addition to any voting rights provided by law, and if so, the terms of such voting rights;
 - (3) The dividends, if any, payable on such class or series, whether any such dividends shall be cumulative, and, if so, from what dates, the conditions and dates upon which such dividends shall be payable, and the preference or relation which such dividends shall bear to the dividends payable on any share of stock of any other class or any other shares of the same class;
 - (4) Whether the shares of such class or series shall be subject to redemption by the Corporation, and, if so, the times, prices and other conditions of such redemption or a formula to determine the times, prices and such other conditions;
 - (5) The amount or amounts payable upon shares of such series upon, and the rights of the holders of such class or series in, the voluntary or involuntary liquidation, dissolution or winding up, or upon any distribution of the assets, of the Corporation;
 - (6) Whether the shares of such class or series shall be subject to the operation of a retirement or sinking fund, and, if so, the extent to and manner in which any such retirement or sinking fund shall be applied to the purchase or redemption of the shares of such class or series for retirement or other corporate purposes and the terms and provisions relative to the operation thereof;
 - (7) Whether the shares of such class or series shall be convertible into, or exchangeable for, shares of stock of any other class or any other series of the same class or any other securities and, if so, the price or prices or the rate or rates of conversion or exchange and the method, if any, of adjusting the same, and any other terms and conditions of conversion or exchanges;
 - (8) The limitations and restrictions, if any, to be effective while any shares of such class or series are outstanding upon the payment of dividends or the making of other distributions on, and upon the purchase, redemption or other acquisition by the Corporation of the Common Stock or shares of stock of any other class or any other series of the same class;
 - (9) The conditions or restrictions, if any, upon the creation of indebtedness of the Corporation or upon the issuance of any additional stock, including additional shares of such class or series or of any other series of the same class or of any other class;
 - (10) The ranking (be it *pari passu*, junior or senior) of each class or series vis-à-vis any other class or series of any class of Preferred Stock as to the payment of dividends, the distribution of assets and all other matters;
 - (11) Facts or events to be ascertained outside the articles of incorporation of the Corporation, or the resolution establishing the class or series of stock, upon which any rate, condition or time for payment of distributions on any class or series of stock is dependent and the manner by which the fact or event operates upon the rate, condition or time of payment;
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(12)Any other powers, preferences and relative, participating, optional and other special rights, and any qualifications, limitations and restrictions thereof, insofar as they are not inconsistent with the provisions of the Articles of Incorporation of this Corporation, to the full extent permitted by the laws of the State of Nevada.

The powers, preferences and relative, participating, optional and other special rights of each class or series of Preferred Stock, and the qualifications, limitations or restrictions thereof, if any, may differ from those of any and all other series at any time outstanding.

Reverse Stock Split of Outstanding Common Stock

Effective as of the effective date set forth under “**Effective date and time of filing**” on this Certificate of Amendment to Articles of Incorporation (or in the absence of such date, on the date such Amendment to the Articles of Incorporation is filed with the Secretary of State of Nevada)(the “**Effective Time**”), every ***twenty-five (25)*** shares of the Corporation’s common stock (but not any shares of Preferred Stock), issued and outstanding immediately prior to the Effective Time, or held in treasury prior to the Effective Time (collectively the “**Old Capital Stock**”), shall be automatically reclassified and combined into ***One (1)*** share of common stock (the “**Reverse Stock Split**”). Any stock certificate that, immediately prior to the Effective Time, represented shares of Old Capital Stock will, from and after the Effective Time, automatically and without the necessity of presenting the same for exchange, represent the number of shares as equals the quotient obtained by dividing the number of shares of Old Capital Stock represented by such certificate immediately prior to the Effective Time by ***twenty-five (25)***, subject to any adjustments for fractional shares as set forth below; provided, however, that each person holding of record a stock certificate or certificates that represented shares of Old Capital Stock shall receive, upon surrender of such certificate or certificates, a new certificate or certificates evidencing and representing the number of shares of capital stock to which such person is entitled under the foregoing reclassification. No fractional shares of capital stock shall be issued as a result of the Reverse Stock Split. In lieu of any fractional share of capital stock to which a stockholder would otherwise be entitled, the Corporation shall issue that number of shares of capital stock as rounded up to the nearest whole share. The Reverse Stock Split shall have no effect on the number of authorized shares of capital stock, previously designated series of preferred stock (except to the extent such split adjusts the conversion ratio thereof) or the par value thereof as set forth above in the preceding paragraphs.

Exhibit 99.1**Camber Energy, Inc. Announces Notification of NYSE American Continued Listing Deficiency and Effectiveness of One-for-Twenty-Five Reverse Stock Split and its Scheduled Acquisition of Lineal Star Holdings**

HOUSTON, TX / ACCESSWIRE / July 8, 2019 / Camber Energy, Inc. (NYSE American: CEI) ("Camber" or the "Company") based in Houston, Texas, announced today that, (a) it had received a deficiency letter ("Letter") from NYSE American LLC ("NYSE American" or the "Exchange") stating that the Company is not in compliance with the continued listing standards as set forth in Section 103(f)(v) of the NYSE American Company Guide ("Company Guide"); (b) that its previously announced 1-for-25 reverse stock split, is effective as of 12:01 a.m. Central Standard Time today, and will be reflected in the marketplace as of the open of trading; and (c) that its previously announced acquisition of Lineal Star Holdings ("Lineal") is now scheduled to close later today.

NYSE Non-Compliance

The Letter stated that because the Company's common stock had been trading for a low price per share for a substantial period of time, the Company was not in compliance with Section 1003(f)(v) of the Company Guide. The NYSE American staff determined that the Company's continued listing is predicated on it effecting a reverse stock split of its common stock or otherwise demonstrating sustained price improvement within a reasonable period of time, which the staff determined to be until January 2, 2020. The Company undertook the reverse stock split, discussed below, in an effort to regain compliance with the listing standards set forth in the Company Guide and to avoid an automatic delisting of the Company's common stock, which would occur if the Company's common stock traded below \$0.06 per share.

Reverse Stock Split

As previously disclosed, pursuant to the authorization provided by the Company's stockholders at the Company's February 19, 2019, annual meeting (pursuant to which the Company's stockholders granted authority to the Board of Directors, in its sole discretion, to determine whether to proceed with a reverse stock split and, if the Board of Directors so determined, to select the reverse stock ratio, in a ratio of between 1-for-5 and 1-for-25), the Board of Directors approved, on July 1, 2018, a 1-for-25 reverse stock split of the Company's issued and outstanding shares of common stock.

The effect of the reverse split was only to divide our issued and outstanding common stock by 25, the result of which (other than minimal changes due to rounding), is a purely mechanical change (in a ratio of 1-for-25) to our stock price (which will be adjusted upward by a factor of 25 at the open of trading), and issued and outstanding shares of common stock.

No fractional shares will be issued as a result of the reverse split, and no cash or other consideration will be paid. Instead, the Company will issue one whole share of the post-reverse stock split common stock to any shareholder who otherwise would have received a fractional share as a result of the reverse stock split.

All options, warrants and convertible securities of the Company outstanding immediately prior to the reverse stock split (to the extent they don't provide otherwise) will be appropriately adjusted by dividing the number of shares of common stock into which the options, warrants and convertible securities are exercisable or convertible by 25 and multiplying the exercise or conversion price thereof by 25, as a result of the reverse stock split.

The reverse stock split does not affect the Company's authorized common stock, preferred stock or previously designated series of preferred stock, except to affect, where applicable, the conversion rates and voting rights of such preferred stock.

ClearTrust, LLC, Camber's transfer agent, will act as the exchange agent for the reverse stock split. Please contact ClearTrust, LLC for further information at (813) 235-4490.

Closing with Lineal

The planned closing of the acquisition of Lineal, www.LinealStar.com, pursuant to the Company's previously disclosed non-binding letter of intent, is now scheduled for July 8, 2019. All required consents have been obtained and signatures have been obtained.

* * * * *

More information regarding the deficiency letter from the Exchange and the 1-for-25 reverse stock split will be included in a Current Report on Form 8-K which the Company will file with the Securities and Exchange Commission on July 8, 2019. More information on the Lineal acquisition will be provided in a Form 8-K which the Company will file following the closing.

About Camber Energy, Inc.

Based in Houston, Texas, Camber Energy (NYSE American: CEI) is a growth-oriented, independent oil and gas company engaged in the development of crude oil, natural gas and natural gas liquids in the Texas Panhandle as well as other basins with a new focus on midstream and downstream pipeline integrity services, specialty construction and field services. For more information, please visit the Company's website at www.camber.energy.

Safe Harbor Statement and Disclaimer

This release includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements give our current expectations, opinion, belief or forecasts of future events and performance. A statement identified by the use of forward-looking words including "will," "may," "expects," "projects," "anticipates," "plans," "believes," "estimate," "should," and certain of the other foregoing statements may be deemed forward-looking statements. Although Camber believes that the expectations reflected in such forward-looking statements are reasonable, these statements involve risks and uncertainties that may cause actual future activities and results to be materially different from those suggested or described in this news release. These include risks inherent in natural gas and oil drilling and production activities, including risks of fire, explosion, blowouts, pipe failure, casing collapse, unusual or unexpected formation pressures, environmental hazards, and other operating and production risks, which may temporarily or permanently reduce production or cause initial production or test results to not be indicative of future well performance or delay the timing of sales or completion of drilling operations; delays in receipt of drilling permits; risks with respect to natural gas and oil prices, a material decline which could cause Camber to delay or suspend planned drilling operations or reduce production levels; risks relating to the availability of capital to fund drilling operations that can be adversely affected by adverse drilling results, production declines and declines in natural gas and oil prices; risks relating to unexpected adverse developments in the status of properties; risks relating to the absence or delay in receipt of government approvals or third party consents; risks relating to funding we may never receive pursuant to the November 2018 Stock Purchase Agreement; risks relating to extensions and approvals provided by the NYSE American; risks related to potential future acquisitions or combinations, including, but not limited to its planned acquisition as previously disclosed, including, but not limited to the Company's ability to structure the transaction described above in a tax free manner and the finalization of mutually acceptable definitive documents and terms relating thereto and the risk of not closing such transaction on a timely basis, if at all; and other risks described in Camber's most recent Annual Report on Form 10-K and other filings with the SEC, available at the SEC's website at www.sec.gov. Investors are cautioned that any forward-looking statements are not guarantees of future performance and actual results or developments may differ materially from those projected. The forward-looking statements in this press release are made as of the date hereof. The Company takes no obligation to update or correct its own forward-looking statements, except as required by law, or those prepared by third parties that are not paid for by the Company. The Company's SEC filings are available at <http://www.sec.gov>.
