

8-K - 2019-10-29

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8-K

8-K 1 cei-8k_102819.htm CURRENT REPORT

**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): **October 28, 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 3.03. Material Modification to Rights of Security Holders.

As previously disclosed, the Board of Directors of Camber Energy, Inc. (the “Company”), approved, on October 24, 2019, a 1-for-50 reverse stock split of the Company’s (a) authorized shares of common stock; and (b) 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 was in non-compliance with) and 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.

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 October 29, 2019, and was reflected with the NYSE American and in the marketplace at the open of business on October 29, 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 508.

Split Adjustment; No Fractional Shares. On the Effective Date, the total number of shares of the Company’s common stock held by each shareholder 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 shareholder immediately prior to the Reverse Stock Split, divided by (ii) 50.

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 shareholder 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 shareholder.

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.

State Filing. The Reverse Stock Split was affected by the Company filing a Certificate of Change (the “Certificate”) pursuant to Nevada Revised Statutes (“NRS”) Section 78.209 with the Secretary of State of the State of Nevada on October 28, 2019. The Certificate was not effective until the Effective Date. A copy of the Certificate is attached hereto as Exhibit 3.1 and incorporated herein by reference.

No Stockholder Approval Required. Under Nevada law, because the Reverse Stock Split was approved by the Board of Directors of the Company in accordance with NRS Section 78.207, no shareholder approval was required. NRS Section 78.207 provides that the Company may affect the Reverse Stock Split without shareholder approval if (x) both the number of authorized shares of common stock and the number of outstanding shares of common stock are proportionally reduced as a result of the Reverse Stock Split; (y) the Reverse Stock Split does not adversely affect any other class of stock of the Company; and (z) the Company does not pay money or issue scrip to shareholders who would otherwise be entitled to receive a fractional share as a result of the Reverse Stock Split. As described herein, the Company has complied with these requirements.

Capitalization. Prior to the Effective Date of the Certificate, the Company was authorized to issue 250,000,000 shares of common stock. As a result of the Reverse Stock Split, the Company is authorized to issue 5,000,000 shares of common stock (the Company's authorized shares of common stock were reduced in the same ratio (1-for-50) as its outstanding common stock was reduced). As of October 29, 2019 (immediately prior to the Effective Date), there were 74,535,701 shares of common stock outstanding. As a result of the Reverse Stock Split, there are approximately 1,490,714 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.

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 shareholder'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 50 and multiplying the exercise or conversion price thereof by 50, 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 October 29, 2019, the Company issued a press release announcing the effectiveness of the 1-for-50 reverse stock split of the Company's issued, outstanding and authorized common stock, pursuant to Section 78.207 of the Nevada Revised Statutes and the filing of a Certificate of Change pursuant to NRS 78.209. A copy of the press release is attached as Exhibit 99.1 hereto and incorporated in this Item 8.01 by reference.

The Company is continuing to seek out potential acquisition transactions and other strategic relationships which are accretive to existing shareholders, with the goal of growing revenues and shareholder value.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description of Exhibit
3.1*	Certificate of Change Pursuant to Nevada Revised Statutes Section 78.209, as filed by Camber Energy, Inc. with the Secretary of State of the State of Nevada on October 28, 2019, and effective on October 29, 2019
99.1**	Press Release Dated October 29, 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: October 29, 2019

EXHIBIT INDEX

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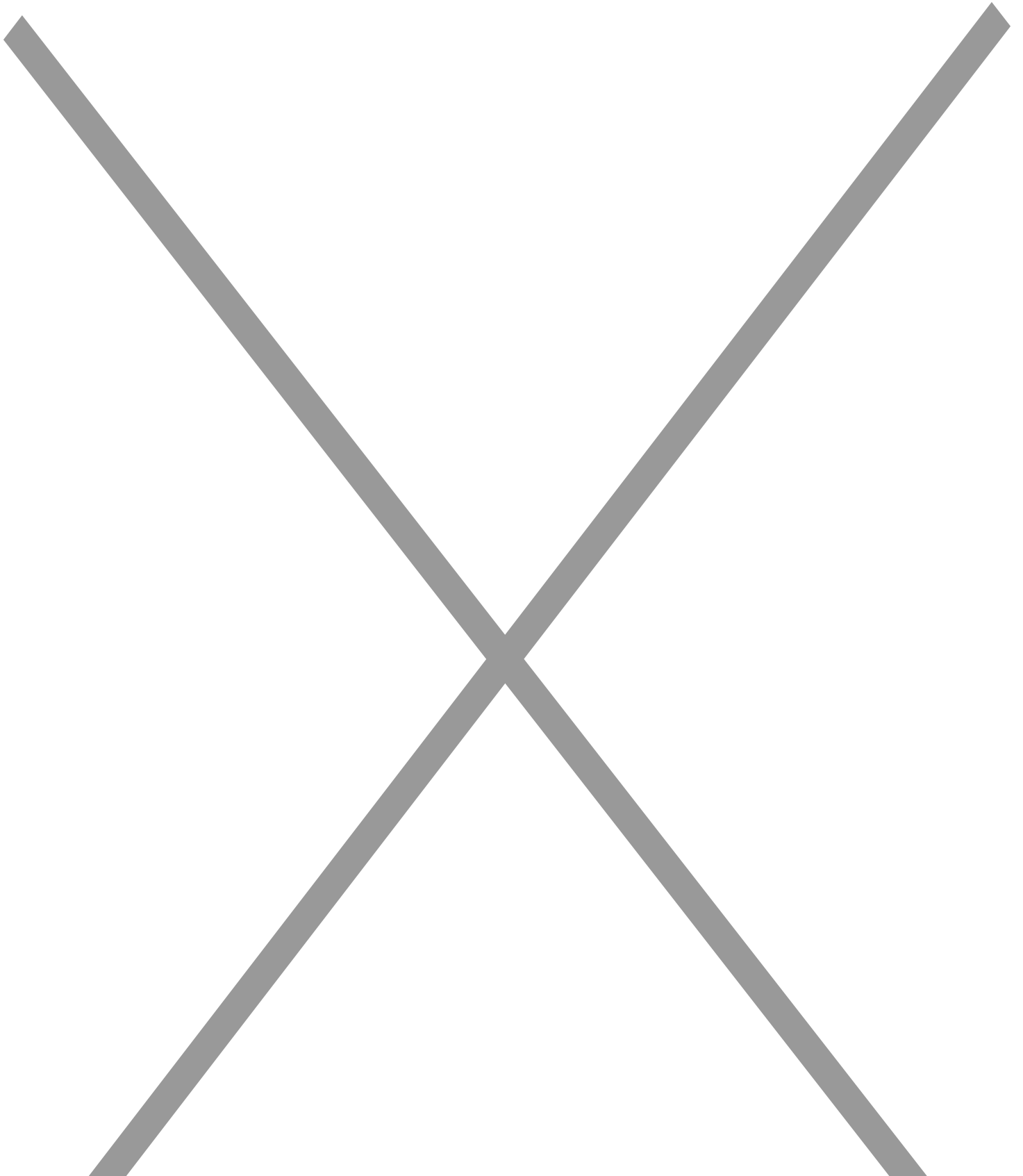
** Furnished herewith.

EX-3.1

EX-3.1 2 ex3-1.htm CERTIFICATE OF CHANGE

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

Exhibit 3.1





Camber Energy, Inc. Announces Effectiveness of One-for-Fifty Reverse Stock Split

HOUSTON, TX / ACCESSWIRE / October 29, 2019/ Camber Energy, Inc. (NYSE American: CEI) (“Camber” or the “Company”) based in Houston, Texas, disclosed today that, its 1-for-50 reverse stock split, which the Company previously disclosed was approved by the Board of Directors on October 24, 2019, 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.

The 1-for-50 reverse stock split, under applicable Nevada law (Nevada Revised Statutes (NRS) Section 78.207), proportionally adjusted both the Company’s (a) authorized shares of common stock; and (b) issued and outstanding shares of common stock. As a result, the Company did not increase its authorized but unissued shares of common stock as a result of the reverse split (i.e., the Company is not able to issue any greater (proportional) number of shares of common stock after the split than before the split). The effect of the reverse split was only to divide our issued and outstanding common stock by 50 and to simultaneously divide our authorized common stock by 50, the result of which (other than minimal changes due to rounding), is a purely mechanical change (in a ratio of 1-for-50) to our stock price (which will be adjusted upward by a factor of 50 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 50 and multiplying the exercise or conversion price thereof by 50, as a result of the reverse stock split.

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.

As discussed previously, the Board of Directors approved the reverse split unilaterally, and without shareholder approval, pursuant to Section 78.207 of the NRS, solely to enable the Company to expeditiously meet the low price per share selling price requirements of the NYSE American and to reduce the risk of the Company being automatically delisted from the NYSE American due to the trading prices of its common stock falling below certain NYSE American lower limits. Another benefit of the reverse stock split will be to limit the number of shares of common stock issuable upon conversion of the Company’s Series C Preferred Stock to the maximum number of authorized shares of common stock, which as a result of the reverse stock split has been decreased to a total of 5 million shares. The Company believes that this may reduce the preferred stock holders’ ability to convert and sell shares and therefore reduce the downward pressure on the Company’s common stock as a result of such sales, when the maximum number of authorized but unissued shares of common stock is reached as a result of such conversions.

More information regarding the 1-for-50 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 October 29, 2019.

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.

The Company further discloses that it is continuing to seek out potential acquisition transactions and other strategic relationships which are accretive to existing shareholders, with the goal of growing revenues and shareholder value.

About Camber Energy, Inc.

Based in Houston, Texas, Camber Energy's (NYSE American: CEI) primary focus is midstream and downstream pipeline specialty construction, maintenance and field services via its acquisition of Lineal Star Holdings LLC, the owner of Lineal Industries, Inc., as described in greater detail in the Current Report on Form 8-K filed by the Company with the Securities and Exchange Commission (SEC) on July 9, 2019 (as amended). For more information, please visit the Company's website at www.camber.energy.

Safe Harbor Statement and Disclaimer

This press release may include "forward-looking statements" which are subject to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. 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, but are not limited to, risks relating to the absence or delay in receipt of stockholder approval of the issuance of shares of our common stock in connection with the acquisition of Lineal Star Holdings, LLC and related transactions; change orders that are subject to change or cancellation, which may reduce the value expected from projects, or the timing of such projects; government approvals or third party consents; risks relating to funding we may never receive and/or the terms of such funding, if received; the risks of substantial and significant ongoing dilution of common stockholders pursuant to conversions of our Series C Preferred Stock, conversion premiums associated therewith and true-ups thereon; risks related to over-hang and significant decreases in our common stock trading prices as common stock shares issued upon conversion of our Series C Preferred Stock are publicly sold, compounded and exacerbated by successive conversions and sales; risks relating to the liquidation preferences and rights of our preferred stock; risks relating to the redemption rights of our preferred stock; risks relating to extensions and approvals provided by the NYSE American; risks relating to our ability to maintain our NYSE American listing due to falling stock prices and other matters; risks relating to significant downward pressure on our common stock trading prices caused by sales of our common stock by our Series C Preferred Stock holder and others; risks related to potential future acquisitions or combinations, the risks of not closing such transaction(s) and the ultimate terms of such acquisition(s), if closed; and other risks described in Camber's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q 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, actual results or developments may differ materially from those projected and investors should not purchase the stock of Camber if they cannot withstand the loss of their entire investment. The forward-looking statements in this press release are made as of the date hereof. The Company undertakes 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>.

Media Contact:

Interdependence PR

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SOURCE: Camber Energy, Inc
