

# SECURITIES & EXCHANGE COMMISSION EDGAR FILING

**Yuma Energy, Inc.**

**Form: 8-K**

**Date Filed: 2019-09-11**

Corporate Issuer CIK: 1672326

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: September 10, 2019  
(Date of earliest event reported)

YUMA ENERGY, INC.  
(Exact name of registrant as specified in its charter)

DELAWARE  
(State or other jurisdiction of incorporation)

001-37932  
(Commission File Number)

94-0787340  
(IRS Employer Identification No.)

1177 West Loop South, Suite 1825  
Houston, Texas 77027  
(Address of principal executive offices) (Zip Code)

(713) 968-7000  
(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

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	YUMA	NYSE American LLC

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).

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 13(a) of the Exchange Act.

Item 7.01. Regulation FD Disclosure.

On September 10, 2019, Yuma Energy, Inc. (the "Company") issued a press release regarding the third party purchase of the Company's senior secured bank debt and entry into a non-binding restructuring letter of intent, which press release is included as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

The information in this Current Report on Form 8-K furnished pursuant to Item 7.01, including Exhibit 99.1, shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to liability under that section, and it shall not be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing. By filing this Current Report on Form 8-K and furnishing this information pursuant to Item 7.01, the Company makes no admission as to the materiality of any information in this Current Report on Form 8-K, including Exhibit 99.1, that is required to be disclosed solely by Regulation FD.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

The following exhibit is furnished with this Current Report on Form 8-K:

Exhibit No.	Description
<a href="#">99.1</a>	Press Release dated September 10, 2019.

**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.

**YUMA ENERGY, INC.**

By: /s/ Anthony C. Schnur  
Name: Anthony C. Schnur  
Title: Interim Chief Executive Officer, Interim Chief Financial Officer and  
Chief Restructuring Officer

Date: September 11, 2019



YUMA ENERGY, INC.

NEWS RELEASE

## Yuma Energy, Inc. Announces Third Party Purchase of Senior Secured Bank Debt

### *Enters Into Non-Binding Restructuring Letter of Intent*

HOUSTON, TX – (PR Newswire – September 10, 2019) – Yuma Energy, Inc. (NYSE American: YUMA) (“Yuma,” the “Company,” “we” or “our”) today announced that an affiliate of Red Mountain Capital Partners, LLC (“Red Mountain”) has purchased all of Yuma’s outstanding senior secured bank indebtedness and related liabilities (the “Senior Secured Debt”) totaling approximately \$35 million from the Company’s lending group, led by Société Générale. The purchase includes a principal balance of the Company’s credit facility of \$32.8 million, plus accrued interest of \$1.3 million, and the release or purchase of losses associated with the Company’s prior hedging arrangements totaling approximately \$1.1 million.

In anticipation of a contemplated comprehensive debt restructuring (the “Restructuring”), Red Mountain and Yuma have signed a non-binding Letter of Intent broadly outlining the terms that the parties expect to pursue in an effort to restructure the Company’s balance sheet and position the Company for growth. The Letter of Intent contemplates that Red Mountain would enter into a forbearance agreement with respect to the Senior Secured Debt and provide Yuma with funding on a senior secured basis for certain capital expenditures. In addition, the Letter of Intent contemplates that Red Mountain and Yuma would work towards a restructuring approved by Yuma’s Board of directors by September 30, 2019, which would provide for the modification of the Senior Secured Debt on mutually agreeable terms and, subject to obtaining applicable stockholder approval, the exchange of the Senior Secured Debt for debt convertible into a mutually agreed amount of newly-issued Yuma common stock and the conversion of the existing Yuma preferred stock into a mutually-agreed amount of newly-issued Yuma common stock. The Letter of Intent contemplates that the exchange and conversion described above would occur prior to December 31, 2019. The contemplated Restructuring, if completed, is subject to definitive agreements on mutually agreeable terms to be negotiated by the parties.

As the restructuring effort progresses, management will endeavor to reduce other liabilities on Yuma’s balance sheet. Management will also endeavor to meet the requirements of Yuma’s continued listing on the NYSE American stock exchange, maintain the continued service by the current members of Yuma’s Board of directors and retain Mr. Anthony C. Schnur, Yuma’s Interim CEO and CRO, as Yuma’s CEO and a director, which are expected to be conditions to the contemplated Restructuring. Other expected conditions to the contemplated Restructuring include the availability of net operating losses to offset all cancellation of indebtedness income arising as a result of the contemplated Restructuring, the right (but not the obligation) of Red Mountain to appoint up to four new directors to the Yuma Board, the payment by Yuma of all expenses associated with the contemplated Restructuring, including Red Mountain’s legal expenses, and the receipt by Yuma of required Board and stockholder approvals. Following, or concurrent with, the Restructuring, Yuma will re-establish a management incentive plan approved by its Board and attempt to secure a new lender to fund its operations and to refinance any outstanding loans extended to Yuma by Red Mountain. Finally, Yuma will seek to merge with a third party or acquire assets of a scope and size to provide for the profitability and growth of the Company.

“We are pleased to have the opportunity to work with Red Mountain in an effort to realign our outstanding debt with the combined goal of establishing a meaningful path forward for the Company,” said Anthony C. Schnur, Yuma’s Interim Chief Executive Officer and Chief Restructuring Officer. “This is the first step toward strengthening our capital base, improving our liquidity and positioning the Company to pursue growth opportunities. Final terms and results of any restructuring will be negotiated as soon as practicable with the mutual goal of significantly reduced leverage and enhanced flexibility by the end of 2019. While there is much work to be done to accomplish the plan as set out, we are working diligently to restructure the Company into a financially sustainable organization on which we can deliver shareholder returns.”

#### **Continuing Uncertainty**

Substantial risk continues to exist that the Company will be unable to reach agreements on key issues envisioned by the non-binding Letter of Intent or meet conditions necessary to fully effect any debt or equity restructuring or the other actions contemplated by the Letter of Intent. In addition, the Company’s audited consolidated financial statements for the year ended December 31, 2018, included a going concern qualification. The risk factors and uncertainties described in our SEC filings for the year ended December 31, 2018, the quarter ended March 31, 2019, and the quarter ended June 30, 2019 raise substantial doubt about the Company’s ability to continue as a going concern.

#### **About Yuma Energy, Inc.**

Yuma Energy, Inc., a Delaware corporation, is an independent Houston-based exploration and production company focused on acquiring, developing and exploring for conventional and unconventional oil and natural gas resources. Historically, the Company’s activities have focused on inland and onshore properties, primarily located in central and southern Louisiana and southeastern Texas. Its common stock is listed on the NYSE American under the trading symbol “YUMA.”

#### **Forward-Looking Statements**

This release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Any and all statements that are not strictly historical statements constitute forward-looking statements and may often, but not always, be identified by the use of such words such as “expects,” “believes,” “intends,” “anticipates,” “plans,” “estimates,” “potential,” “possible,” or “probable” or statements that certain actions, events or results “may,” “will,” “should,” or “could” be taken, occur or be achieved. The Company’s annual report on Form 10-K for the year ended December 31, 2018, quarterly reports on Form 10-Q, recent current reports on Form 8-K, and other SEC filings discuss some of the important risk factors identified that may affect its business, results of operations, and financial condition. The Company undertakes no obligation to revise or update publicly any forward-looking statements, except as required by law.

#### **For more information, please contact**

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