

GULFPORT ENERGY CORP
Form DEFA14C
April 29, 2005

**SCHEDULE 14C
(RULE 14C-101)**

**INFORMATION REQUIRED IN INFORMATION STATEMENT
SCHEDULE C INFORMATION**

**Information Statement Pursuant to Section 14(c) of the Securities
And Exchange Act of 1934**

Check the appropriate box:

- Preliminary Information Statement Confidential, for Use of the Commission
Only (as permitted by Rule 14c-5(d)(2))
- Definitive Information Statement

GULFPORT ENERGY CORPORATION
(Name of Registrant as Specified in Its Charter)

Payment of Filing Fee (Check Appropriate Box):

No fee required

Fee computed on table below per Exchange Act Rules 14c-5(g) and 0-11

1) Title of each class of securities to which transaction applies:

2) Aggregate number of securities to which transactions applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

4) Proposed maximum aggregate value of transaction:

5) Total fee paid:

Fee paid previously with preliminary materials

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing

1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

GULFPORT ENERGY CORPORATION

14313 N. MAY AVENUE, SUITE 100

OKLAHOMA CITY, OKLAHOMA 73134

NOTICE OF ACTION WITHOUT A MEETING IN LIEU OF AN ANNUAL MEETING

To the Stockholders of

Gulfport Energy Corporation:

This Information Statement is being furnished on or about April 29, 2005 by Gulfport Energy Corporation, a Delaware corporation (the "Company"), to holders of the Company's outstanding common stock as of the record date, March 31, 2005 (the "Record Date"), pursuant to Rule 14c-2 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The purpose of this Information Statement is:

- (1) to inform the Company's stockholders that the five directors nominated by the Company's Board of Directors have been elected by the written consent of a majority of the Company's outstanding voting shares that are entitled to vote on these matters; and
- (2) to serve as notice of the foregoing actions in accordance with Section 228(e) of the Delaware General Corporation Law.

On March 31, 2005, the Board of Directors nominated five persons to serve on the Board of Directors of the Company until the next annual meeting of stockholders or until their successors are duly elected and qualified or until each such director's earlier resignation or removal.

March 31, 2005 is the Record Date for the determination of the Company stockholders entitled to receive this Information Statement. The Company had 31,883,188 shares of common stock outstanding as of the Record Date. Each share of common stock entitles the holder thereof to one vote on matters submitted to the stockholders.

Under Delaware law and the Company's bylaws, director nominees are elected by a plurality of all of the votes cast. On April 15, 2005, in accordance with Delaware law and the Company's bylaws, the holders of a majority of the outstanding shares of the Company's Common Stock executed a written consent electing the five director nominees to hold office for a term of one year until the annual meeting of stockholders in 2006 and until their respective successors are duly elected and qualified. **ACCORDINGLY, WE ARE NOT ASKING YOU FOR A PROXY, AND YOU ARE REQUESTED NOT TO SEND US A PROXY.** Enclosed for your information is our Annual Report on Form 10-KSB for the year ended December 31, 2004.

Sincerely,

/s/ Mike Liddell

Mike Liddell
Chief Executive Officer

April 29, 2005
Oklahoma City, Oklahoma

GULFPORT ENERGY CORPORATION

14313 N. MAY AVENUE, SUITE 100

OKLAHOMA CITY, OKLAHOMA 73134

INFORMATION STATEMENT

Background

Section 228(a) of the General Corporation Law of the State of Delaware states that, unless otherwise provided in the certificate of incorporation, any action that may be taken at any annual or special meeting of stockholders may be taken without a meeting, without prior notice and without a vote, if consents in writing, setting forth the action so taken, are signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted, and those consents are delivered to the corporation by delivery to its registered office in Delaware, its principal place of business, or an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders are recorded. The Company's restated certificate of incorporation contains no provision or language in any way limiting the right of our stockholders to take action by written consent. On April 15, 2005, holders of more than a majority of the outstanding shares of our voting stock executed a written consent approving the directors nominated by the Company's Board of Directors to serve until the 2006 annual meeting of stockholders or until their successors are duly elected and qualified or until each such director's earlier resignation or removal. This consent was executed following approval of the actions by the Company's Board of Directors on March 31, 2005. Because the actions have been approved by the holders of the required majority of the outstanding shares that are entitled to cast votes, no other stockholder approval of these actions is necessary. This Information Statement will also serve as notice of actions taken without a meeting as required by Section 228(e) of the Delaware General Corporation Law. No further notice of the actions described herein will be given to you.

This Information Statement is provided to the Company's stockholders for informational purposes only, and you need not take any further action in connection with this Information Statement. The Company will bear all costs of preparing and delivering this Information Statement.

Outstanding Shares and Voting Rights

Pursuant to the Company's restated certificate of incorporation, the Company currently has authorized for issuance 35,000,000 shares of common stock, par value \$0.01 per share, and 5,000,000 shares of preferred stock, par value \$0.01 per share, of which the Company has designated 30,000 shares as Series A Preferred Stock. As of close of business on the Record Date, the Company had 31,883,188 shares of Common Stock issued and outstanding and no shares of Series A preferred stock issued and outstanding. Each share of Common Stock outstanding as of close of business on the Record Date is entitled to one vote on the matter submitted to a vote of the common stockholders. The holders of Series A preferred stock do not have any voting rights with respect to the election of directors.

This Information Statement is being mailed on or about April 29, 2005 to the Company's stockholders of record on the Record Date, which is March 31, 2005. Section 213(b) of the Delaware General Corporation Law sets forth the rules for ascertaining the record date to determine which stockholders of a corporation are eligible to consent to action by written consent pursuant to Section 228 of the Delaware General Corporation Law. Pursuant to Section 213(b), the

Company's Board of Directors determined that stockholders of record on the Record Date were entitled to consent to the actions described in this Information Statement.

The April 15, 2005 written consent of stockholders referenced above and described in this Information Statement was executed by stockholders holding over 61.6% of the shares eligible to vote on those matters on that date. No additional action will be undertaken pursuant to such written consents, and no dissenters' rights under Delaware law are afforded to the Company's stockholders as a result of the action taken by written consent. **ACCORDINGLY, WE ARE NOT ASKING YOU FOR A PROXY, AND YOU ARE REQUESTED NOT TO SEND US A PROXY.**

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ELECTION OF DIRECTORS

On March 31, 2005, the Board of Directors nominated five persons to serve on the Company's Board of Directors of the Company until the 2006 annual meeting of stockholders or until their successors are duly elected and qualified or until each such director's earlier resignation or removal. On April 15, 2005, in accordance with Delaware law, the holders of a majority of the outstanding shares of the Company's Common Stock executed a written consent electing the five nominated persons as Directors of the Company.

The Company's Board of Directors consists of five individuals. All five of the persons elected are now members of the Board of Directors. The following information about the directors was provided by the directors:

Name	Age	Position
Mike Liddell	51	Chairman of the Board, Chief Executive Officer and Director
Robert E. Brooks	58	Director
David L. Houston	52	Director
Mickey Liddell	43	Director
Dan Noles	57	Director

MIKE LIDDELL, has served as a director of the Company since July 11, 1997, as Chief Executive Officer since April 28, 1998 and as Chairman of the Board since July 28, 1998 and President since July 15, 2000. In addition, Mr. Liddell served as Chief Executive Officer of DLB Oil & Gas, Inc. from October 1994 to April 28, 1998, and as a director of DLB from 1991 through April 1998. From 1991 to 1994, Mr. Liddell was President of DLB. From 1979 to 1991, he was President and Chief Executive Officer of DLB Energy. He received a B.S. degree in education from Oklahoma State University. He is the brother of Mickey Liddell and brother-in-law of Dan Noles.

Committees: None

ROBERT E. BROOKS, has served as a director of Gulfport since July 11, 1997. Mr. Brooks is currently president of Delphi Oil & Gas, Inc. From 1997 to 2002, Mr. Brooks was a partner with Brooks Greenblatt, a commercial finance company located in Baton Rouge, Louisiana that was formed by Mr. Brooks in July 1997. Mr. Brooks is a Certified Public Accountant and was Senior Vice President in charge of Asset Finance and Managed Assets for Bank One, Louisiana between 1993 and July 1997. He received his B.S. degree from Purdue University in mechanical engineering in 1969. He obtained graduate degrees in finance and accounting from the Graduate School of Business at the University of Chicago in 1974.

Committees: Audit and Compensation

DAVID L. HOUSTON, has served as a director of the Company since July 1998. Since 1991, Mr. Houston has been the principal of Houston & Associates, a firm that offers life and disability insurance, compensation and benefits plans and estate planning. Prior to 1991, he was President and Chief Executive Officer of Equity Bank for Savings, F.A. He currently serves on the board of directors and executive committee of Deaconess Hospital, Oklahoma City, Oklahoma, and is the former chair of the Oklahoma State Ethics Commission and the Oklahoma League of Savings Institutions. He received a Bachelor of Science degree in business from Oklahoma State University and a graduate degree in banking from Louisiana State University.

Committees: Audit and Compensation

MICKEY LIDDELL, has served as a director of the Company since January 1999. Since 2001, Mr. Liddell has been the President of Berlanti-Liddell Entertainment, LLC, a television and motion picture production company. From 2000 through 2001, Mr. Liddell served as President of Entertainment Services, LLC. From 1994 through 1999, Mr. Liddell served as President of Banner Entertainment, LLC. Both Banner Entertainment LLC and Mr. Liddell filed for bankruptcy in 1999. Mr. Liddell received a Bachelor of Arts from the University of Oklahoma in Communications in 1984 and a graduate degree from Parson School of Design in New York, New York in 1987. He is the brother of Mike Liddell and brother-in-law of Dan Noles.

Committees: Audit and Compensation

DAN NOLES, has served as a director of the Company since January 2000. Mr. Noles is the President of Dan Noles Construction LLC. Prior to that he served as the President of Atoka Management Company, an oilfield equipment company. Mr. Noles received his Bachelor degree in Finance from the University of Oklahoma in 1970. Mr. Noles is the brother-in-law of Mike Liddell and Mickey Liddell.

Committees: Audit

CORPORATE GOVERNANCE

Board of Directors and Committees

We are managed under the direction of our Board of Directors. The size of our board is set at 5 members and we currently have 5 directors including 4 non-employee directors. The Board of Directors held nine meetings in 2004. In addition to the nine meetings, the Board adopted resolutions by unanimous written consent. The Company's Board of Directors has two standing committees: the audit committee and the compensation committee. Each of the directors attended at least 75% of the aggregate of the total number of meetings held by the Board of Directors and, if applicable, all meetings of committees of the Board of Directors on which such director served during 2004.

The audit committee's functions include the following: (a) assist the Board in its oversight responsibilities regarding (1) the integrity of the Company's financial statements, (2) the Company's compliance with legal and regulatory requirements, (3) the independent accountant's qualifications and independence and (4) the accounting and financial reporting processes of the Company and the audits of the financial statements of the Company; (b) prepare the report required by the SEC for inclusion in the Company's annual proxy or information statement; (c) appoint, retain, compensate, evaluate and terminate the Company's independent accountants; (d) approve audit and non-audit services to be performed by the independent accountants; and (e) perform such other functions as the Board of Directors may from time to time assign to the audit committee.

During 2004, the audit committee held two meetings. In 2004, the audit committee was composed of Dan Noles, David Houston, Robert Brooks and Mickey Liddell, all of who are non-employee directors. Mr. Houston serves as Chairman of the audit committee and is designated as the "audit committee financial expert" as such term is defined in Item 401(e) of Regulation S-B. Mr. Houston and Mr. Brooks are "independent" within the meaning of the NASD's and AMEX's director independence standards. Mickey Liddell and Dan Noles are not independent due to their familial relationship to Mike Liddell. The Board of Directors has adopted an Audit Committee Charter which is attached to this Information Statement as Annex A.

The Compensation Committee considers executive employment agreements, adoption of employee benefit plans and other issues related to compensation and employee benefits. The Compensation Committee is comprised of Robert Brooks, David Houston and Mickey Liddell, all of whom are "non-employee directors" as defined by Rule 16b-3 promulgated under the Exchange Act and "outside directors" as defined by Section 162(m) of the Internal Revenue Code. The Compensation Committee did not hold any meetings during 2004.

The Company's Board of Directors does not have a standing nominating committee. The entire Board of Directors of the Company participates in the consideration of director nominees. The Board does not deem it necessary to establish a nominating committee because the Company's Board of Directors is relatively small in size and believes it can operate more effectively in concert. Further, because there has not been turnover in the Board, there has been no need to nominate new directors.

Identifying and Evaluating Nominees for Directors

The Company's Board of Directors utilizes a variety of methods for identifying and evaluating nominees for director. In the event that vacancies are anticipated, or otherwise arise, the Company's Board of Directors considers various potential candidates for director. Candidates may come to the attention of the Company's Board of Directors through current board members, professional search firms, stockholders or other persons. These candidates are evaluated at regular or special meetings of the Company's Board of Directors, and may be considered at any point during the year. In evaluating a board candidate, the Company's Board of Directors will consider the skills and experience of the candidate in the context of the needs of the board, as well as the candidate's qualification as independent for board and committee service under the applicable standards. Each of the Company's directors must represent the interests of all stockholders.

The Company's Board of Directors may review materials provided by professional search firms or other parties in connection with a nominee. In evaluating such nominations, the Company's Board of Directors will seek to achieve a balance of knowledge, experience and capability on the board. After completing its evaluation, the Company's Board of Directors makes a determination as to the slate of nominees and makes its recommendation with respect to such nominees to its controlling stockholder for approval.

Communications with the Board

Individuals may communicate with the Company's Board of Directors or individual directors by writing to the Company's Secretary at Gulfport Energy Corporation, 14313 N. May Avenue, Suite 100, Oklahoma City, Oklahoma 73134. The Secretary will review all such correspondence and forward to the Board of Directors a summary of all such correspondence and copies of all correspondence that, in the opinion of the Secretary, relates to the functions of the Board or committees thereof or that he otherwise determines requires their attention. Directors may review a log of all such correspondence received by the Company and request copies. Concerns relating to accounting, internal control over financial reporting or auditing matters will be immediately brought to the attention of the Chairman of the audit committee and handled in accordance with its procedures established with respect to such matters.

Code of Ethics

On November 14, 2003, the Company adopted a code of ethics which applies to its Chief Executive Officer and Chief Financial Officer. A copy of the Company's code of ethics has been filed as Exhibit 14.0 to its Annual Report filed on Form 10-KSB on March 30, 2005, for the fiscal year ended December 31, 2004.

AUDIT COMMITTEE REPORT

This disclosure statement is being provided to inform stockholders of the audit committee's oversight with respect to the Company's financial reporting.

The audit committee has reviewed and discussed the audited financial statements as of and for the year ended December 31, 2004 (the "Audited Financial Statements") and footnotes thereto with management and the independent auditors. In addition, the audit committee discussed with the independent auditors the matters required to be disclosed by Statement of Auditing Standards No. 61. The audit committee discussed with the Company's auditors the independence of such auditors from management of the Company, including a review of audits and non-audit fees, and received written disclosures concerning the auditors' independence required to be made by the auditors of the Company by the Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees). The audit committee has also discussed with management of the Company and the independent auditors such other matters and received such assurance from them, as the audit committee deemed appropriate.

Management is responsible for the preparation and presentation of the Audited Financial Statements and the Company's internal controls over financial reporting. The independent auditors are responsible for performing an independent audit of the Company's financial statements in accordance with GAAP and issuing a report thereon. The audit committee's responsibility is to monitor and oversee this process.

Based on the foregoing review and discussions with management and the independent auditors, and relying thereon, we have recommended to the Company and Board of Directors the inclusion of the Audited Financial Statements in the Company's Annual Report on Form 10-KSB for the year ended December 31, 2004 for filing with the SEC.

AUDIT COMMITTEE

David Houston
Dan Noles
Mickey Liddell
Robert Brooks

DIRECTOR COMPENSATION

Members of the Company's Board of Directors who are also officers or employees of the Company do not receive compensation for their services as directors. The Company pays its non-employee directors a monthly retainer of \$1,000 and a per meeting attendance fee of \$500 and reimburses all ordinary and necessary expenses incurred in the conduct of the Company's business.

EXECUTIVE OFFICERS

The officers of the Company are as follows:

Name	Age	Position
Mike Liddell	51	Chairman of the Board, Chief Executive Officer and Director
Michael G. Moore	48	Vice President and Chief Financial Officer
Joel H. McNatt	47	Vice President, General Counsel and Secretary

MICHAEL G. MOORE has served as Vice President and Chief Financial Officer of the Company since July 2000. From May 1998 through July 2000, Mr. Moore served as Vice President and Chief Financial Officer of Indian Oil Company. From September 1995 through May 1998, Mr. Moore served as Controller of DLB Oil & Gas, Inc. Prior to that, Mr. Moore served as Controller of LEDCO, Inc., a Houston based gas marketing company. Mr. Moore received both his B.B.A degree in finance and his M.B.A. from the University of Central Oklahoma.

JOEL H. MCNATT has served as Vice President and General Counsel of the Company since November 2004. From May 1996 through October 2004, Mr. McNatt practiced in the areas of energy, products liability, and complex business litigation with the firm McKinney & Stringer, P.C. Mr. McNatt received his juris doctorate, *summa cum laude*, from Oklahoma City University School of Law in 1996, and prior to that his B.A. in journalism from the University of Oklahoma.

EXECUTIVE COMPENSATION

The following table sets forth the compensation information earned during 2004, 2003 and 2002 by the Chief Executive Officer and by the two other most highly compensated executive officers of the Company whose annual salary and bonus exceeded \$100,000 (the "named executives"), in all capacities in which they served during that period.

Name and Principal Position	Year	Annual Compensation (1)		Long Term Compensation Awards
		Salary	Bonus	
Mike Liddell Chief Executive Officer	2004	\$ 224,184	\$ 29,108	\$ 22,423
	2003	218,566	24,000	19,500
	2002	200,000	24,000	19,142
Michael Moore Vice President & Chief Financial Officer	2004	\$ 128,813	\$ 17,138	\$ 8,757
	2003	105,000	13,800	7,128
	2002	105,000	23,800	8,094

(1) Amounts shown include cash and non-cash compensation earned and received by the named executives as well as amounts earned but deferred at their election. The Company provides various perquisites to certain employees, including the named executives. In each case, the aggregate value of the perquisite provided to the named executives did not exceed 10% of such named executive's total annual salary and bonus.

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(2) Amounts for Mike Liddell include the Company's matching 401(k) plan contributions of \$15,198, \$12,000 and \$13,717 during 2004, 2003 and 2002 respectively and life insurance premium payments of \$7,225, \$7,500, and \$5,425 during 2004, 2003 and 2002 respectively. Amounts for Michael Moore and Joel H. McNatt represent the Company's matching 401(k) plan contributions during each of the indicated years.

Stock Options

No options were granted to the named executive officers during 2004. The following table sets forth the number of unexercised options held by named executives as of December 31, 2004. No options were exercised by named executives in 2004, 2003 or 2002.

Name	Number of Securities		Value of Unexercised In	
	Underlying Unexercised Options at Fiscal Year End Exercisable(1)	Un-exercisable	the Money Options Year End Exercisable(2)	Unexercisable
Mike Liddell	457,270	-	\$576,160	-
Mike Moore	10,000	-	\$12,600	-

(1) These options are exercisable at \$2.00 per share.

(2) Value for "in the money" options represents the positive spread between the exercise price of \$2.00 per share and the closing price of the shares of Common Stock of \$3.26 per share as reported by the NASD OTC Bulletin Board on December 30, 2004.

Employment Agreements

In June 2003, the Company renewed a five year employment agreement with its Chief Executive Officer, Mike Liddell. The employment agreement provides an annual base salary of \$200,000 adjusted for cost of living increases. The employment agreement contains a change of control provision which guarantees Mr. Liddell one-year salary upon the occurrence of a change of control in the Company.

Securities Authorized for Issuance under Equity Compensation Plans

The following table sets forth certain information, as of December 31, 2004, with respect to all compensation plans previously approved by the Company's security holders which consists of the Company's 1999 Stock Option Plan. Amount below do not include shares issuable under the Company's 2005 Stock Incentive Plan. The Company does not have any equity compensation plans which have not been approved by the Company's security holders.

	Number of Securities To be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available For Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Far Left Column)
Equity compensation plans approved by security holders	627,337 (1)	\$2.00	0 (1)
Equity compensation plans not approved by security holders	--	--	--
Total	627,337	\$2.00	0

(1) No additional securities will be issued under the Company's 1999 Stock Option Plan other than upon the exercise of options that are outstanding.

COMPLIANCE WITH SECTION 16(a) OF THE SECURITIES EXCHANGE ACT OF 1934

Section 16(a) of the Securities Exchange Act of 1934 requires executive officers and directors, and persons beneficially owning more than 10% of the Company's stock to file initial reports of ownership and reports of changes in ownership with the Securities and Exchange Commission and with the Company. Based solely on a review of the reports sent to the Company and written representations from the executive officers and directors, the Company believes that each of its directors and executive officers met his Section 16(a) filing obligations during 2004.

CERTAIN TRANSACTIONS