

VICTORY ENERGY CORP  
Form DEF 14A  
October 23, 2017

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a)  
of the Securities Exchange Act of 1934  
(Amendment No. 1)

Filed by the Registrant   
Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as Permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Solicitation Material Pursuant to Rule 14a-11(c) or rule 14a-12

VICTORY ENERGY CORPORATION  
(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

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- 1) Title of each class of securities to which transaction applies:
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- 3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11:
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- (2) Form, Schedule or Registration Statement No.:
- (3) Filing Party:
- (4) Date Filed:

VICTORY ENERGY CORPORATION  
3355 Bee Caves Road, Suite 608  
Austin, Texas 78746

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS  
To be held on November 20, 2017

To the Stockholders of Victory Energy Corporation:

Notice is hereby given that a special meeting of the stockholders of Victory Energy Corporation (the "Company") will be held on November 20, 2017 at 10:30 a.m. Central Standard Time at the Company's office located at 3355 Bee Caves Road, Suite 608, Austin, Texas 78746. At the special meeting you will be asked to consider and vote upon the following proposals:

To approve an amendment and restatement of the Company's Amended and Restated Articles of Incorporation to, among other things, (i) increase the number of authorized shares of the common stock, \$0.001 par value per share, of the Company from 47,500,000 shares to 300,000,000 shares and increase the number of authorized shares of the preferred stock, \$0.001 par value per share, of the Company from 2,500,000 shares to 10,000,000 shares; and (ii) implement a 1-for-38 reverse split of the Company's outstanding common stock.

To approve the divestiture of all of the Company's partnership interests in Aurora Energy Partners, pursuant to the terms and conditions of a divestiture agreement, dated August 21, 2017, between the Company and Navitus Energy Group, as amended.

To approve the Victory Energy Corporation 2017 Equity Incentive Plan.

To elect seven (7) director nominees to the Company's board of directors to serve until the next annual meeting of the Company's stockholders or until their successors are elected and qualify, subject to their prior death, resignation or removal.

To approve the adjournment of the special meeting for any purpose, including to solicit additional proxies if there are insufficient votes at the time of the special meeting to approve the proposals described above.

The board unanimously recommends a vote "FOR" the amendment and restatement of the Company's Amended and Restated Articles of Incorporation, "FOR" the divestiture under the divestiture agreement, "FOR" approval of the Victory Energy Corporation 2017 Equity Incentive Plan, "FOR" each of the director nominees, and "FOR" the proposal to approve the adjournment of the special meeting for any purpose, including to solicit additional proxies if there are insufficient votes at the time of the meeting to approve the proposals mentioned above.

Stockholders of record of the Company's common stock at the close of business on October 23, 2017 will be entitled to notice of, and are cordially invited to attend, the special meeting and to attend any adjournment or postponement thereof. However, to assure your representation at the meeting, please vote your proxy via the internet, by telephone, or by completing, dating, signing and returning the enclosed proxy. Even if you have previously submitted your proxy, you may choose to vote in person at the meeting. Whether or not you expect to attend the meeting, please read the proxy statement and then promptly vote your proxy in order to ensure your representation at the meeting.

You may cast your vote by visiting [www.proxyvote.com](http://www.proxyvote.com). You may also have access to the materials for the annual meeting by visiting the website: [www.proxyvote.com](http://www.proxyvote.com).

Each share of common stock entitles the holder thereof to one vote.

You are urged to review carefully the information contained in the enclosed proxy statement prior to deciding how to vote your shares. This notice and the attached proxy statement are first being disseminated to stockholders on or about October 27, 2017.

BY ORDER OF THE BOARD OF DIRECTORS,

/s/ Kenneth Hill  
Kenneth Hill  
Chief Executive Officer

IF YOU RETURN YOUR PROXY CARD WITHOUT AN INDICATION OF HOW YOU WISH TO VOTE, YOUR SHARES WILL BE VOTED IN FAVOR OF EACH PROPOSAL.

Important Notice Regarding the Availability of Proxy Materials for the Special Meeting to be Held on November 20, 2017: This Proxy Statement is available at: [www.proxyvote.com](http://www.proxyvote.com).

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VICTORY ENERGY CORPORATION  
3355 Bee Caves Road, Suite 608  
Austin, Texas 78746  
PROXY STATEMENT  
FOR  
SPECIAL MEETING OF STOCKHOLDERS  
To be held on November 20, 2017

## INTRODUCTION

This proxy statement is furnished in connection with the solicitation of proxies by the Board of Directors (the “Board”) of Victory Energy Corporation (“we,” “us,” “our” or “our company”) for use at the special meeting of stockholders of the Company and at all adjournments and postponements thereof (the “Meeting”). The Meeting will be held on November 20, 2017 at 10:30 a.m. Central Standard Time at our office located at 3355 Bee Caves Road, Suite 608, Austin, Texas 78746 for the following purposes:

1. To approve an amendment and restatement of our Amended and Restated Articles of Incorporation to, among other things, (i) increase the number of authorized shares of our common stock, \$0.001 par value per share, from

47,500,000 shares to 300,000,000 shares and increase the number of authorized shares of our preferred stock, \$0.001 par value per share, from 2,500,000 shares to 10,000,000 shares; and (ii) implement a 1-for-38 reverse split of our outstanding common stock (the "Charter Proposal").

To approve the divestiture of all of our partnership interests in Aurora Energy Partners, a Texas general partnership ("Aurora"), pursuant to the terms and conditions of a divestiture agreement, dated August 21, 2017 (the "Divestiture Agreement"), between Navitus Energy Group ("Navitus") and our company, as amended (the "Divestiture Proposal").

3. To approve the Victory Energy Corporation 2017 Equity Incentive Plan (the "Plan").

4. To elect seven (7) director nominees to our board of directors to serve until the next annual meeting of our stockholders or until their successors are elected and qualify, subject to their prior death, resignation or removal.

5. To approve the adjournment of the Meeting for any purpose, including to solicit additional proxies if there are insufficient votes at the time of the Meeting to approve the proposals described above (the "Adjournment Proposal").

Our board unanimously recommends a vote "FOR" the Charter Proposal, "FOR" the Divestiture Proposal, "FOR" approval of the Plan, "FOR" each of the director nominees, and "FOR" the Adjournment Proposal.

Stockholders of record of our common stock at the close of business on October 23, 2017 (the "Record Date") will be entitled to notice of, and are cordially invited to attend, the Meeting and to attend any adjournment or postponement thereof. However, to assure your representation at the Meeting, please vote your proxy via the internet, by telephone, or by completing, dating, signing and returning the enclosed proxy. Even if you have previously submitted your proxy, you may choose to vote in person at the Meeting. Whether or not you expect to attend the Meeting, please read the proxy statement and then promptly vote your proxy in order to ensure your representation at the Meeting.

This proxy solicitation is being made and paid for by our company on behalf of our board. In addition, we may retain a third party proxy solicitor for which we may incur fees. Our directors, officers and employees may also solicit proxies by personal interview, mail, e-mail, telephone, facsimile or other means of communication. These persons will not be paid any additional compensation for their efforts. We will also request brokers and other fiduciaries to forward proxy solicitation material to the beneficial owners of shares of our common stock that the brokers and fiduciaries hold of record. Upon request, we will reimburse them for their reasonable out-of-pocket expenses. In addition, we will indemnify our proxy solicitor against any losses arising out of that firm's proxy soliciting services on our behalf.

None of the proposals included in this proxy statement has been approved or disapproved by the Securities and Exchange Commission (the "SEC"), and the SEC has not passed upon the fairness or merits of any proposals nor upon the accuracy or adequacy of the information contained in this proxy statement. Any representation to the contrary is unlawful.

## QUESTIONS AND ANSWERS ABOUT THE SPECIAL MEETING AND THE PROPOSALS

The following are some questions that you, as a stockholder of our company, may have regarding the Meeting and the proposals and brief answers to such questions. We urge you to carefully read this entire proxy statement, the annexes to this proxy statement and the documents referred to or incorporated by reference in this proxy statement because the information in this section does not provide all the information that may be important to you as a stockholder of our company with respect to the proposals. See "Where You Can Find More Information."

When and where will the Meeting take place?

The Meeting will be held on November 20, 2017 at 10:30 a.m. Central Standard Time at our office located at 3355 Bee Caves Road, Suite 608, Austin, Texas 78746.

What proposals are the stockholders being asked to consider?

At the Meeting, you will be asked to vote upon the Charter Proposal, the Divestiture Proposal, the Plan, the director nominees, and the Adjournment Proposal.

What are the recommendations of the Board?

Our Board has approved the five proposals and unanimously recommends that the stockholders vote "FOR" each proposal, including "FOR" each director nominee.

What is the Record Date for the Meeting?

Holders of our common stock as of the close of business on October 23, 2017, the Record Date for the Meeting, are entitled to notice of, and to vote at, the Meeting and any postponements or adjournments of the Meeting.

Who can vote at the Meeting?

Stockholders who owned shares of our common stock, Series C Preferred Stock and Series D Preferred Stock on the Record Date may attend and vote at the Meeting. There were 31,220,326 shares of common stock, 800,000 shares of our non-voting Series B Convertible Preferred Stock, 180,000 shares of our Series C Preferred Stock and 20,000 shares of our Series D Preferred Stock outstanding on the Record Date. All shares of common stock have one vote per share and vote together as a single class. No shares of the Series B Convertible Preferred Stock may vote upon any proposal. Shares of our Series C Preferred Stock and Series D Preferred Stock vote with the shares of common stock as a single class on an as-converted to common stock basis. As of the Record Date, the outstanding shares of Series C Preferred Stock were convertible, subject to approval of the Charter Proposal, into 35,730,241 shares of common stock and the outstanding shares of Series D Preferred Stock were convertible, subject to approval of the Charter Proposal, into 9,508,075 shares of common stock.

Information about the stockholdings of our directors and executive officers is contained in the section of this proxy statement entitled "Security Ownership of Certain Beneficial Owners and Management."

What is the proxy card?

The proxy card enables you to appoint Mr. Kenneth Hill, our Chief Executive Officer, as your representative at the Meeting. By completing and returning the proxy card as described herein, you are authorizing this person to vote your shares at the Meeting in accordance with your instructions on the proxy card. This way, your shares will be voted whether or not you attend the Meeting. Even if you plan to attend the Meeting, we think that it is a good idea to complete and return your proxy card before the Meeting date just in case your plans change. If a proposal comes up for vote at the Meeting that is not on the proxy card, the proxies will vote your shares, under your proxy, according to Mr. Hill's best judgment.

What is the difference between holding shares as a stockholder of record and as a beneficial owner?

Most of our stockholders hold their shares in an account at a brokerage firm, bank or other nominee holder, rather than holding share certificates in their own name. As summarized below, there are some distinctions between shares held of record and those owned beneficially.

**Stockholder of Record**

If, on the Record Date, your shares were registered directly in your name with our transfer agent, Transfer Online, Inc., you are a "stockholder of record" who may vote at the Meeting, and we are sending these proxy materials directly to you. As the stockholder of record, you have the right to direct the voting of your shares by returning the enclosed proxy card to us, by voting online or to vote in person at the Meeting. Whether or not you plan to attend the Meeting, please complete, date and sign the enclosed proxy card or vote online to ensure that your vote is counted.

**Beneficial Owner**

If, on the Record Date, your shares were held in an account at a brokerage firm or at a bank or other nominee holder, you are considered the beneficial owner of shares held "in street name," and these proxy materials are being forwarded to you by your broker or nominee who is considered the stockholder of record for purposes of voting at the Meeting. As the beneficial owner, you have the right to direct your broker on how to vote your shares and to attend the Meeting. However, since you are not the stockholder of record, you may not vote these shares in person at the Meeting unless you receive a valid proxy from your brokerage firm, bank or other nominee holder. To obtain a valid proxy, you must make a special request of your brokerage firm, bank or other nominee holder. If you do not make this request, you can still vote by using the voting instruction card enclosed with this proxy statement; however, you will not be able to vote in person at the Meeting.

What is the quorum required for the Meeting?

The representation in person or by proxy of holders of at least a majority of the issued and outstanding shares of our stock entitled to vote at the Meeting is necessary to constitute a quorum for the transaction of business at the Meeting. Assuming that a quorum is present, what vote is required to approve the proposals to be voted upon at the Meeting? The approval of the Charter Proposal requires the affirmative vote of the holders of a majority of the issued and outstanding shares of our capital stock entitled to vote at the Meeting.

The approval of the Divestiture Proposal requires the affirmative vote of a majority of the shares present in person or represented by proxy at the Meeting.

The approval of the Plan requires the affirmative vote of a majority of the shares present in person or represented by proxy at the Meeting.

The election of each director nominee requires the affirmative vote of a plurality of votes of the shares cast at the election.

The Meeting may be adjourned by the affirmative vote of a majority of the shares present in person or represented by proxy at the Meeting.

How do I vote?

Stockholders have four voting options. You may vote using one of the following methods:

Internet. You can vote over the Internet by accessing the website at [www.proxyvote.com](http://www.proxyvote.com), and following the instructions on the website. Internet voting is available 24 hours a day until 11:59 p.m. Eastern Time on the day before the Meeting. If you vote over the Internet, do not return your proxy card.

Telephone. If you hold shares directly in your own name and are the holder of record, you can vote by telephone by calling the toll-free number 800-690-6903 in the United States, Canada or Puerto Rico on a touch-tone phone. You will then be prompted to enter the control number printed on your proxy card and to follow the subsequent instructions. Telephone voting is available 24 hours a day until 11:59 p.m. Eastern Time on the day before the Meeting. If, however, you hold the shares through a broker and not in your own name, then follow the specific instructions included in your proxy materials, including the specific phone number to use to vote your shares by phone.

- Mail. You can vote by mail by simply completing, signing, dating and mailing your proxy card in the postage-paid envelope included with this proxy statement.

In Person. You may come to the Meeting and cast your vote there. The Board recommends that you vote by proxy even if you plan to attend the Meeting. If your shares of common stock are held in a stock brokerage account or through a bank, broker or other nominee, or, in other words, in “street name”, and you wish to vote in person at the Meeting, you must bring a letter from your bank, broker or nominee identifying you as the beneficial owner of the shares and authorizing you to vote such shares at the Meeting.

What are the effects of not voting or abstaining? What are the effects of broker non-votes?

If you do not vote by virtue of not being present in person or by proxy at the Meeting, your shares will not be counted for purposes of determining the existence of a quorum.

Abstentions will be counted for the purpose of determining the existence of a quorum, however, they will not be considered in determining the number of votes cast. Accordingly, an abstention will have no effect on the Divestiture Proposal, approval of the Plan, the election of directors, or the Adjournment Proposal, but will be treated in the same manner as a vote against the Charter Proposal.

Broker non-votes occur on a matter when a broker is not permitted to vote on that matter without instructions from the beneficial owner and instructions are not given. These matters are referred to as “non-routine” matters. Broker non-votes will be counted for the purpose of determining the existence of a quorum, however the Charter Proposal, the Divestiture Proposal, approval of the Plan, and the election of directors are “non-routine” matters. Thus, in tabulating the voting result for these proposals, shares that constitute broker non-votes are not considered votes cast on those proposals.

What does it mean if I received more than one proxy card?

If your shares are registered differently or in more than one account, you will receive more than one proxy card. Sign and return all proxy cards to ensure that all of your shares are voted.

What happens if I don't indicate how to vote my proxy?

If you just sign your proxy card without providing further instructions, your shares will be counted as a vote “for” each of the proposals.

What happens if I sell my shares after the record date but before the Meeting?

The Record Date for the Meeting is earlier than the date of the Meeting. If you transfer your shares after the Record Date but before the date of the Meeting, you will retain your right to vote at the Meeting (provided that such shares remain outstanding on the date of the Meeting).

What if I change my mind after I return my proxy?

You may revoke your proxy and change your vote at any time before the polls close at the Meeting. You may do this by:

- sending a written notice to our Corporate Secretary, Kenneth Hill, stating that you would like to revoke your proxy of a particular date;

- signing another proxy card with a later date and returning it before the polls close at the Meeting;
- voting again at a later time, but prior to the date of the Meeting, via the Internet or telephone;
- attending the Meeting and voting in person.

Please note, however, that if your shares are held of record by a brokerage firm, bank or other nominee, you must instruct your broker, bank or other nominee that you wish to change your vote by following the procedures on the voting form provided to you by the broker, bank or other nominee. If your shares are held in street name, and you wish to attend and vote at the Meeting, you must bring to the Meeting a legal proxy from the broker, bank or other nominee holding your shares, confirming your beneficial ownership of the shares and giving you the right to vote your shares. Simply attending the Meeting will not constitute a revocation of your proxy.

Who can help answer my other questions?

If you have more questions about the proposals or how to submit your proxy, or if you need additional copies of this proxy statement or the enclosed proxy card or voting instructions, please contact Victory Energy Corporation, Attn: Corporate Secretary, Kenneth Hill, 3355 Bee Caves Road, Suite 608, Austin, Texas 78746, telephone number (512) 347-7300.

#### SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information regarding beneficial ownership of each class of our voting stock as of the Record Date (i) by each person who is known by us to beneficially own more than 5% of our voting stock; (ii) by each of our officers, directors and director nominees; and (iii) by all of our officers and directors as a group. Unless otherwise specified, the address of each of the persons set forth below is in care of our company, 3355 Bee Caves Road, Suite 608, Austin, Texas 78746.

| Name and Address of Beneficial Owner          | Amount of Beneficial Ownership <sup>(1)</sup> |                          |                          | Percent of Common Stock <sup>(2)</sup> | Percent of Series C Preferred Stock <sup>(3)</sup> | Percent of Series D Preferred Stock <sup>(4)</sup> | Percent of Total Voting Stock <sup>(5)</sup> |
|---|---|--------------------------|--------------------------|--|--|--|--|
|   | Common Stock                                  | Series C Preferred Stock | Series D Preferred Stock |  |  |  |  |
| Kenneth Hill, CEO and Director <sup>(6)</sup> | 2,616,353                                     | 2,519                    | 0                        | 7.98 %                                 | 1.39 %   | *  | 3.99 %                                       |
| Ronald Zamber, Director <sup>(7)</sup>        | 22,684,028                                    | 158,590                  | 0                        | 47.85 %                                | 88.11 %  | *  | 58.47 %                                      |
| Robert Grenley, Director <sup>(8)</sup>       | 851,434                                       | 0                        | 0                        | 2.69 %                                 | *  | *  | 1.11 %                                       |
| Ricardo A. Salas, Director                    | 0   | 0                        | 0                        | *                                      | *  | *  | *  |
| Kevin DeLeon, Director <sup>(9)</sup>         | 400,000                                       | 0                        | 0                        | 1.27 %                                 | *  | *  | *  |
| Julio C. Herrera, Director                    | 0   | 0                        | 0                        | *                                      | *  | *  | *  |