

Edgar Filing: PENNY GLENN S - Form SC 13D

PENNY GLENN S
Form SC 13D
November 13, 2001

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

SCHEDULE 13D
(Rule 13d-101)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT
TO RULE 13d-1(a) AND AMENDMENTS THERETO FILED PURSUANT TO
RULE 13d-2(a)

(Amendment No. _____) (1)

FLOTEK INDUSTRIES INC.

(Name of Issuer)

COMMON STOCK, \$0.0001 PAR VALUE PER SHARE

(Title of Class of Securities)

343389 10 2

(CUSIP Number)

Glenn S. Penny
3109 Stagestand Road
Duncan, Oklahoma 73533
(580) 467-0612

(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

November 1, 2001

(Date of Event which Requires Filing of This Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), 13d-1(f) or 13d-1(g), check the following box .

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 13d-7 for other parties to whom copies are to be sent.

(1) The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

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The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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1 NAME OF REPORTING PERSONS
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Glenn S. Penny

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a)
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS*

00

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

United States

7	SOLE VOTING POWER
NUMBER OF	
SHARES	1,200,505
BENEFICIALLY	
OWNED BY	8 SHARED VOTING POWER
EACH	0
REPORTING	
PERSON	9 SOLE DISPOSITIVE POWER
WITH	10 SHARED DISPOSITIVE POWER
	0

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11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,200,505

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

24.8%

14 TYPE OF REPORTING PERSON*

IN

*SEE INSTRUCTIONS BEFORE FILLING OUT!

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C.
SCHEDULE 13D
UNDER THE SECURITIES EXCHANGE ACT OF 1934

Item 1. Security and Issuer.

This Statement relates to the Common Stock, \$0.0001 par value per share of Flotek Industries Inc., a Delaware corporation (the "Company"). The principal executive offices of the Company are located at 7030 Empire Central Drive, Houston, Texas 77040.

Item 2. Identity and Background.

- (a) This Statement is filed by Glenn S. Penny.
- (b) Glenn S. Penny's business address is 3109 Stagestand Road, Duncan, Oklahoma, 73533.
- (c) Mr. Penny is the President of the Company and works at the business address disclosed in (b) above.
- (d) Mr. Penny has not been convicted in a criminal proceeding during the last five years (excluding traffic violations or similar misdemeanors).
- (e) During the past five years, Mr. Penny was not a party to a civil proceeding of a judicial or administrative body of competent jurisdiction as a result of which such person was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state

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securities laws or finding any violation with respect to such laws.

- (f) Glenn S. Penny is a citizen of the United States.

Item 3. Source and Amount of Funds or Other Consideration.

These securities were acquired pursuant to the terms and conditions of that certain Agreement and Plan of Reorganization (the "Merger Agreement") dated August 15, 2001 between the Company, and Chemical & Equipment Specialties, Inc. ("CESI"). Pursuant to the Merger Agreement, at the effective time of the merger on November 1, 2001, each share of CESI common stock issued and outstanding was converted into 2.611644 shares of the Company's common stock. Prior to the merger, Mr. Penny was a shareholder of CESI.

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Item 4. Purpose of Transaction.

As disclosed in Item 3 above, pursuant to the terms and conditions of the Merger Agreement, Mr. Penny's shares of CESI common stock were automatically converted into shares of the Company's common stock.

On November 1, 2001, at the closing of the Merger, Glenn S. Penny became a director, President, and Chief Operating Officer of the Company.

Except as described in this Item 4, Mr. Penny has not formulated any plans or proposals which relate to or would result in any matter required to be disclosed in response to paragraphs (a) through (j) of Item 4 of Schedule 13D. However, in his capacity as a director and officer of the Company, he will be involved in reviewing and implementing proposals for the Company to engage in transactions described in paragraphs (a) through (j) which may be proposed from time to time.

Item 5. Interest in Securities of the Issuer.

- (a) Glenn S. Penny is the direct beneficial owner of 1,200,505 shares, or approximately 24.8% of the 4,850,696 shares of common stock of the Company that were issued and outstanding on November 1, 2001.
- (b) Glenn S. Penny has the sole direct power to vote and direct the disposition of the shares held by him.
- (c) On March 2, 2001, Mr. Penny acquired warrants to purchase 764,816 shares of the Company's common stock by a distribution of the warrants from Chisholm Energy Partners, a private energy LLC of which Mr. Penny was a member. He subsequently transferred these warrants to 11 separate individuals from the period August 15, 2001 to September 28, 2001. The third parties have exercised these warrants. The 764,816 shares of common stock were converted into 6,373 shares of Company common stock in a 1 for 120 reverse stock split of Company common stock in connection with domestication of the Company into Delaware on October 30, 2001.
- (d) No other person has the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of the shares held by him.

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(e) Not applicable.

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Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer.

In connection with the Merger Agreement, Mr. Penny entered into a Target Shareholders Agreement between the Company and each of the shareholders of CESI effective as of November 1, 2001 ("Shareholder's Agreement"). The Shareholder's Agreement contains certain provisions relating to the distribution, resale, sale, transfer or other disposition of all or any part of the Company's common stock. The shareholders acknowledge that the Company's common stock is being acquired for investment purposes only and not with the view to distribute or resale, nor with the intention of selling, transferring or otherwise disposing of all or any part of the Company's stock, except selling, transferring or disposing of the stock in compliance with all applicable provisions of the Securities Act of 1933, rules and regulations. In addition, the shareholders acknowledge that such shares must be held indefinitely unless they are subsequently registered under the Securities Act of 1933 and any applicable state securities laws.

Pursuant to the Merger Agreement, the Company and CESI agree to take such action as is necessary or advisable to ensure that the Board of Directors of the Company consists of nine (9) agreed upon individuals and to cause these persons to be nominated for reelection at the next annual meeting of shareholders. Mr. Penny is one of these individuals.

Item 7. Material to be Filed as Exhibits.

The following exhibits to this Schedule 13D are filed herewith:

- (1) Agreement and Plan of Reorganization dated as of August 15, 2001 between Flotek Industries Inc., and Chemical & Equipment Specialties, Inc. (Incorporated by reference to Exhibit 99.1 to Form 8-K dated October 12, 2001 filed by Flotek Industries Inc. (SEC File No. 001-13270)
- (2) Target Shareholder's Agreement between Flotek Industries Inc., and each of the shareholders of Chemical & Equipment Specialties, Inc. effective as of November 1, 2001.

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SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and

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correct.

November 12, 2001

(Date)

/s/ Glenn S. Penny

(Signature)

Glenn S. Penny

(Name/Title)

Attention. Intentional misstatements or omissions of fact constitute federal criminal violations (see 18 U.S.C. 1001).