

RAM ENERGY RESOURCES INC  
Form DEF 14A  
April 02, 2009

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

**SCHEDULE 14A**

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

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

Soliciting Material Pursuant to §240.14a-12

**RAM Energy Resources, Inc.**

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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

---

(2) Aggregate number of securities to which transaction 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.

Edgar Filing: RAM ENERGY RESOURCES INC - Form DEF 14A

(1) Amount Previously Paid:

---

(2) Form, Schedule or Registration Statement No.:

---

(3) Filing Party:

---

(4) Date Filed:

---

**RAM ENERGY RESOURCES, INC.**

**5100 East Skelly Drive, Suite 650**

**Tulsa, Oklahoma 74135**

To the Stockholders of RAM Energy Resources, Inc.:

You are cordially invited to attend the Annual Meeting of Stockholders of RAM Energy Resources, Inc. to be held on May 5, 2009, at the Doubletree Hotel at Warren Place, 6110 South Yale Avenue, Tulsa, Oklahoma 74136, commencing at 10:00 a.m., local time. We look forward to personally greeting as many of our stockholders as possible at the meeting.

The Notice of the Annual Meeting and Proxy Statement accompanying this letter provide information concerning matters to be considered and acted upon at the meeting. Immediately following the meeting, a report on our operations will be presented, including a question-and-answer and discussion period.

We know that most of our stockholders are unable to attend the Annual Meeting in person. We solicit proxies so that each stockholder has an opportunity to vote on all matters that are scheduled to come before the meeting. Whether or not you plan to attend, please take a few minutes now to sign, date and return your proxy in the enclosed postage-paid envelope. Your vote is important regardless of the number of shares you own.

Thank you for your continued interest in RAM Energy Resources, Inc.

Very truly yours,

Larry E. Lee,  
*Chairman, President and Chief Executive Officer*

April 3, 2009

**RAM ENERGY RESOURCES, INC.**

**5100 East Skelly Drive, Suite 650**

**Tulsa, Oklahoma 74135**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

**May 5, 2009**

To the Stockholders of RAM Energy Resources, Inc.:

NOTICE IS HEREBY GIVEN that the 2009 Annual Meeting of Stockholders of RAM Energy Resources, Inc. will be held at the Doubletree Hotel at Warren Place, 6110 South Yale Avenue, Tulsa, Oklahoma 74136, on May 5, 2009, commencing at 10:00 a.m., local time, for the following purposes:

1. To elect one director of RAM Energy Resources, Inc., to serve for a term of three years;
2. To ratify and approve the appointment of UHY LLP as the Company's independent auditors for 2009; and
3. To transact such other business as may properly come before the meeting or any adjournment thereof.

The Board of Directors has fixed the close of business on March 30, 2009, as the record date for the meeting, and only holders of common stock of record at such time will be entitled to vote at the meeting or any adjournment thereof.

By Order of the Board of Directors

G. Les Austin  
*Secretary*

Tulsa, Oklahoma

April 3, 2009

**EVEN IF YOU INTEND TO BE PRESENT AT THE ANNUAL MEETING, PLEASE SIGN, DATE AND RETURN THE ACCOMPANYING PROXY PROMPTLY SO THAT YOUR SHARES OF COMMON STOCK MAY BE REPRESENTED AND VOTED AT THE ANNUAL MEETING. A RETURN ENVELOPE IS ENCLOSED FOR THIS PURPOSE.**

Our Notice of Annual Meeting of Stockholders, Proxy Statement and Annual Report are available at <http://www.cstproxy.com/ramenergy/2009>.

**RAM ENERGY RESOURCES, INC.**

**5100 East Skelly Drive, Suite 650**

**Tulsa, Oklahoma 74135**

**PROXY STATEMENT**

**FOR**

**ANNUAL MEETING OF STOCKHOLDERS**

**May 5, 2009**

This proxy statement is furnished by RAM Energy Resources, Inc. in connection with the solicitation of proxies by the Board of Directors of the Company to be used at the 2009 Annual Meeting of Stockholders to be held at the time and place and for the purposes set forth in the foregoing Notice of Annual Meeting of Stockholders, and at any and all adjournments of said meeting. Unless the context otherwise requires, all references to we and us refer to RAM Energy Resources, Inc. and its subsidiaries.

**Solicitation and Revocation of Proxies and Voting**

The execution and return of the enclosed proxy will not affect your right to attend the Annual Meeting of Stockholders and to vote in person. Even if you have given a proxy, you have the power to revoke it at any time before it is exercised. You may revoke the proxy prior to its exercise by delivering written notice of revocation to our corporate Secretary, at 5100 East Skelly Drive, Suite 650, Tulsa, Oklahoma 74135, by executing a later-dated proxy, or by attending the Annual Meeting and voting in person. Properly executed proxies in the accompanying form, received in due time and not previously revoked, will be voted at the Annual Meeting or any adjournment thereof as specified therein by the person giving the proxy; however, if no specification is made, the shares represented by proxy will be voted as recommended by our Board of Directors.

We will pay the expenses of this proxy solicitation, including the cost of preparing and mailing this proxy statement and the accompanying proxy. Such expenses may also include the charges and expenses of banks, brokerage firms, and other custodians, nominees or fiduciaries for forwarding proxies and proxy materials to beneficial owners of our common stock. We expect to solicit proxies primarily by mail, but our directors, officers, employees, and agents may also solicit proxies in person or by telephone or by other electronic means. This proxy statement and accompanying proxy were first mailed to our stockholders on or about April 3, 2009.

**Quorum; Abstentions; Broker Non-Votes**

The presence, in person or by proxy, of the holders of shares of our outstanding common stock representing a majority of the total combined voting power of all of our outstanding shares of common stock entitled to vote at the Annual Meeting will constitute a quorum for the transaction of business. If a quorum is present, the election of directors will require a plurality of the votes cast by the stockholders entitled to vote thereon, present in person or represented by proxy. One director will be elected by a plurality of the votes cast by the holders of common stock. See Proposal I Election of Directors. You may, with respect to the election of a director:

vote for the election of the nominee named herein; or

withhold authority to vote for such nominee.

The ratification of the selection of UHY LLP as our independent auditors for 2009 requires the affirmative vote by holders of shares of our outstanding common stock representing a majority of the voting power of the shares present or represented by proxy at the Annual Meeting. See Proposal II Ratification of Appointment of Independent Auditors.

Abstentions and broker non-votes will be treated as present at the Annual Meeting for the purpose of determining a quorum. A broker non-vote occurs when a record owner holding shares for a beneficial owner does not vote on a particular proposal because the record owner does not have discretionary voting power under the applicable rules of The Nasdaq Stock Market with respect to such shares, and the record owner has not received

instructions from the beneficial owner. Because directors are elected by a plurality of the votes cast, abstentions and broker non-votes will not be counted in determining which nominees received the largest number of votes cast.

The ratification of the appointment of UHY LLP as our independent registered public accounting firm requires the affirmative vote of the holders of at least a majority of the shares of our common stock present in person or represented by proxy at the Annual Meeting. Abstentions will be counted in tabulating the votes for such proposal and, therefore, will have the same effect as a vote against the ratification of the appointment of UHY LLP as our independent registered public accounting firm. Broker non-votes will not be counted in tabulating the votes on the proposal.

As a matter of policy, we maintain proxies and voting tabulations that identify individual stockholders on a confidential basis. We make such documents available only to those persons who process the proxy cards, tabulate the vote and serve as inspectors of election, as well as certain of our employees responsible for the Annual Meeting. We do not disclose your vote except as may be necessary to meet legal requirements.

Only the holders of outstanding shares of our common stock of record at the close of business on March 30, 2009, are entitled to receive notice of and to vote at the Annual Meeting. On March 30, 2009, we had outstanding 79,666,994 shares of our common stock. Each share of common stock issued and outstanding on the record date is entitled to one vote on each matter to be voted upon at the Annual Meeting.

## PROPOSAL I

### ELECTION OF DIRECTORS

Our Board of Directors currently consists of four persons. Our Amended and Restated Certificate of Incorporation provides for three classes of directors. The term of each class of directors is three years, and the term of one class expires each year in rotation. The following is a list of our current directors, by class:

Term expiring in 2011	Sean P. Lane and John M. Reardon
Term expiring in 2010	Larry E. Lee
Term expiring in 2009	Gerald R. Marshall

Mr. Marshall, who currently is a director, has been nominated for election as a director at the Annual Meeting to serve for a three-year term ending in 2012. Three directors, Larry E. Lee, Sean P. Lane and John M. Reardon, will continue in office to serve pursuant to their prior appointments.

The persons named as proxies in the accompanying proxy, who have been designated as such by our Board of Directors, intend to vote, unless otherwise instructed in such proxy, for the election of Mr. Marshall. Should Mr. Marshall become unable or unwilling for any reason to stand for election as a director, the persons named in the proxy will vote for the election of such other person as our Board of Directors may propose to replace such nominee. We know of no reason why Mr. Marshall will be unavailable, unable or unwilling to serve.

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT THE STOCKHOLDERS VOTE FOR THE ELECTION OF MR. GERALD R. MARSHALL AS A DIRECTOR.**

**Information Relating to Our Directors and Executive Officers**

Our Board of Directors and executive officers are:

Name	Age	Position
Larry E. Lee	60	Chairman, President and Chief Executive Officer
G. Les Austin	43	Senior Vice President, Chief Financial Officer, Secretary and Treasurer
Larry G. Rampey	64	Senior Vice President
Drake N. Smiley	61	Senior Vice President
Vicky L. Lindsey	45	Vice President
Sean P. Lane	50	Director
Gerald R. Marshall	75	Director
John M. Reardon	67	Director

*Larry E. Lee* has served as our chairman, president and chief executive officer since May 2006. He is a founder of our wholly owned subsidiary, RAM Energy, Inc., or RAM Energy, and has served as its president and, with the exception of the period from June 1992 to November 1997, when he served as chief operating officer, he has served as its chief executive officer since September 1987. Mr. Lee became chairman of the board of RAM Energy in October 2005. Mr. Lee has been active in the oil and gas industry since 1976. Mr. Lee worked for the private companies of Goldman Enterprises and Kerr Consolidated before developing the RAM Energy companies in 1984. He served in the public sector as budget director for the city of Oklahoma City from 1971 to 1976, and was a member of the staff of Governor David Boren during 1976. Mr. Lee is a Wildcatter member of the Oklahoma Independent Petroleum Association and a member of the Independent Petroleum Association of America, having previously served as director. Mr. Lee serves as chairman of the Board of Trustees and as chairman of the Executive Committee of the Board of Trustees for the Philbrook Museum of Art. He is also a member of the Board of Directors of the Oklahoma Heritage Association. Mr. Lee serves as a member of the Executive Board of the Indian Nations Council of the Boy Scouts of America. He is a lifetime member of World Presidents Organization. Mr. Lee received his B.B.A. in finance from the University of Oklahoma.

*G. Les Austin* became our senior vice president, chief financial officer, secretary and treasurer on April 1, 2008. Mr. Austin served as vice president finance and chief financial officer of Matrix Service Company from June 2004 to March 2008. Mr. Austin had also served Matrix as vice president, accounting and administration, east coast, from March 2003 to May 2004, as vice president of financial reporting and technology from June 2002 to March 2003 and as vice president of financial planning and reporting from April 1999 to May 2002. Mr. Austin served as vice president of finance for Flint Energy Construction Company from February 1994 to March 1999 and prior to February 1994, was an audit manager with Ernst & Young LLP. Mr. Austin received a B.S. in Accounting and Information Technology from Oklahoma State University. He is a Certified Public Accountant and a member of the American Institute of Certified Public Accountants. In addition, Mr. Austin serves as a director on the Advisory Board of Oklahoma State University School of Accounting and as a member of the Sales Tax Oversight Committee for the City of Tulsa.

*Larry G. Rampey* has been an executive officer serving as our senior vice president since May 2006 and a senior vice president of RAM Energy since February 1998, previously serving as vice president of operations since May 1989. Mr. Rampey has 30 years of experience in the management of both domestic and international oil and gas properties. From 1972 until May 1989, Mr. Rampey was employed by Reading & Bates Petroleum Co., holding positions of vice president of international operations and vice president of domestic operations. Mr. Rampey was employed by Amoco prior to joining Reading & Bates. Mr. Rampey is a member of the Society of Petroleum Engineers and the Oklahoma Independent Petroleum Association. Mr. Rampey received his B.S. in Industrial Engineering from Oklahoma State University.

*Drake N. Smiley* has been an executive officer serving as our senior vice president of land and exploration since May 2006 and has held a similar position with RAM Energy since 1998, previously serving as vice president land since May 1989, with the exception of the period from 1994 until early 1997 when he left RAM's employment to serve as vice president of land with Continental Resources, Inc. in Enid, Oklahoma. He served as



vice president of land, legal and business development of RAM Energy from February 1997 until December 1997. Mr. Smiley was employed by Reading & Bates Petroleum Co., serving as manager of land prior to joining RAM. Before Reading & Bates, he was employed by Cities Service Company. Mr. Smiley has 29 years of experience in the petroleum industry and is a member of the Oklahoma and Tulsa County Bar Associations, the Tulsa and American Associations of Petroleum Landmen and the Oklahoma Independent Petroleum Association. He is a Phi Beta Kappa graduate of the University of Missouri, where he also received his Juris Doctorate.

*Vicky L. Lindsey* joined us in November 2007 in connection with our acquisition of Ascent Energy Inc. and is our vice president-accounting and controller. Ms. Lindsey served as vice president of finance and financial controller at Ascent Energy since August 2004. She has over 20 years of accounting experience in the oil and gas industry. From May 2003 until joining Ascent, Ms. Lindsey served as controller for The Wiser Oil Company, a publicly held exploration and production company. Previously, from August 1996 to April 2003, she held the position of accounting manager for Coho Energy, Inc., a publicly held oil and gas exploitation, exploration and development company. Ms. Lindsey served in various accounting roles for Edisto Resources, Inc. from September 1986 until July 1995. Ms. Lindsey received her BBA in Accounting from Southwestern Oklahoma State University in 1986. Although Ms. Lindsey is a named executive officer for purposes of this proxy statement, she is not an executive officer as defined by the Board of Directors.

*Sean P. Lane* was appointed to our Board of Directors in May 2006. He has served as a managing member of Kinsale Advisors LLC since January 2003, providing business and risk management advisory services to companies and investors in the energy, environmental and technology industries. From May 1999 until December 2002, Mr. Lane was an executive vice president, chief administrative officer, general counsel and director of beenz.com inc. a global internet currency business. Mr. Lane served as a managing director of Liberty Power Investments, LLC, an international electric power project development, finance and acquisition firm from December 1992 until May 1999. Mr. Lane has also served as an executive of Compania Boliviana de Energia Electrica, S.A., the leading Bolivian electric utility, as well as The Henley Group, Inc., Wheelabrator Technologies, Inc. and Catalyst Energy Corporation, each a publicly traded firm with significant investments in the U.S. or international independent power and environmental industries. Previously, Mr. Lane was an attorney with the law firm of Brown & Wood (currently Sidley Austin, LLP). Prior to joining Brown & Wood, Mr. Lane worked as a legislative assistant on the staff of the United States Senate Committee on Commerce, Science and Transportation. Mr. Lane received his J.D. from Georgetown University Law Center and a Bachelor's degree in Political Economy and History from Fordham University.

*Gerald R. Marshall* was appointed to our Board of Directors in May 2006 and has been a director of RAM Energy since December 1997. Mr. Marshall was vice chairman of the Midland Group of Oklahoma City, Oklahoma, which includes Midland Mortgage Co., MidFirst Bank, Midland Asset Management Co. and Home Shield Insurance Co., from October 1996 to March 2003 and served as a director of MidFirst Bank from 1993 until March 2003, and served as its chief credit officer from October 1996 until March 2001. From 1990 until 1995, Mr. Marshall was chairman, chief executive officer and principal owner of RAM Management Associates, an asset management contractor for the Resolution Trust Corporation. From 1989 until 1990, Mr. Marshall served as a special consultant to Worthen Banking Corporation of Arkansas. From 1987 until 1989, Mr. Marshall was interim chief executive officer of an insolvent savings and loan association in Little Rock, Arkansas, pending federal resolution. From September 1984 until November 1986, Mr. Marshall served as chairman of the board and chief executive officer of Bank of Oklahoma, Oklahoma City, N.A. and from August 1981 to April 1984, Mr. Marshall served as president and chief executive officer of Goldman Enterprises, a privately owned, diversified group of companies. Prior to August 1981, Mr. Marshall served as chairman and chief executive officer of Capital Bank, N.A. of Houston, Texas and was a senior vice president of its then parent company, Mercantile Texas Corporation. Prior to 1981, Mr. Marshall served as president and director of The First National Bank and Trust Company of Oklahoma City; as executive vice president of First National Bank in Dallas, and as president of Liberty National Bank and Trust Company of Oklahoma City. Mr. Marshall received a B.A. in Finance and Accounting from the University of Oklahoma.

*John M. Reardon* was appointed to our Board of Directors in May 2006 and has served as a director of RAM Energy since October 2005. He previously was a member of the RAM Energy board from January 1998 to May 2002. Mr. Reardon was market president of Union Bank of California, in Valencia, California, from November 2002 through October 2007. From August 1994 until November 2002, Mr. Reardon was president and chief executive officer of Valencia National Bank, Santa Clarita, California. From 1991 to August 1994, Mr. Reardon was executive vice president of Ramco Oil and Gas, Inc. and RAM Management Associates, Inc. Mr. Reardon was a senior vice president of Wells Fargo Bank, Los Angeles, California from 1987 to 1991. Previously, he served as chairman, president and chief executive officer of Southwestern Bank and Trust Company, Oklahoma City; executive vice president of The First National Bank and Trust Company of Oklahoma City, Oklahoma; and vice president of Liberty National Bank and Trust Company, Oklahoma City, Oklahoma. Mr. Reardon is currently president of the board of directors of the Santa Clarita Valley Boys & Girls Club Foundation. In 2000, Mr. Reardon was presented the Entrepreneur of the Year Award by Ernst & Young and he is a life member in the Entrepreneur of the Year Award Hall of Fame. Mr. Reardon has served as a director of Gene Autry Western Heritage Museum, Los Angeles, California; as a member and officer of several committees and sub-committees of the Housing and Real Estate Finance Committee of the American Bankers Association; and as a director of the Oklahoma Bankers Association. Mr. Reardon has served on the faculty of the University of Oklahoma School of Commercial Banking; Southwestern Graduate School of Banking, Southern Methodist University, Dallas, Texas; the Real Estate Finance School and the National Commercial Lending School of the American Bankers Association; and the Secured Lending School of the Oklahoma Bankers Association. He served as Chairman of the Federal Government Relations Committee of the Oklahoma Bankers Association and as a member of the board of directors of the Chair of Banking, the College of Business of the University of Oklahoma. He has also served as an advisory director of Oklahoma State University and a member of the Oklahoma State Advisory Council of the United States Small Business Administration, and President. Mr. Reardon received a B.S. in business from Oklahoma State University and is a graduate of the Southwestern Graduate School of Banking, Southern Methodist University in Dallas, Texas.

### **Independence of Directors**

We adhere to the rules of The Nasdaq Stock Market in determining whether a director is independent. Our Board of Directors also consults with our counsel to ensure that the Board's determinations are consistent with those rules and all relevant securities and other laws and regulations regarding the independence of directors. The Nasdaq listing standards define an independent director generally as a person, other than an officer of a company, who does not have a relationship with the company that would interfere with the director's exercise of independent judgment. Consistent with these considerations, our Board of Directors has affirmatively determined that Messrs. Lane, Marshall and Reardon are independent directors. Mr. Lee is not independent.

### **Board Meetings and Committees**

Our Board of Directors has the responsibility for establishing our broad corporate policies and for our overall performance. However, the Board of Directors is not involved in our day-to-day operations. The Board of Directors is kept informed of our business through discussions with the chairman, president and chief executive officer and other officers, by reviewing analyses and reports provided to it on a regular basis, and by participating in Board of Directors and Committee meetings.

Our Board of Directors held nine meetings during 2008, including telephonic meetings, and all of our directors were in attendance at each of these meetings. Our Board of Directors also took action by written consent twice in 2008.

Our Board of Directors has established an Audit Committee, a Compensation Committee, and a Nominating and Corporate Governance Committee. In accordance with our bylaws, the Board of Directors annually elects from its members the members of each Committee.

*Audit Committee.* Members of our Audit Committee are Sean P. Lane, Gerald R. Marshall and John M. Reardon, with Mr. Marshall acting as Chairman.

The Audit Committee is composed of non-employee directors, all of whom currently meet the independence standards of The Nasdaq Stock Market and of Rule 10A-3 promulgated under the Securities Exchange Act of 1934, as amended, or the Exchange Act, as more fully described below under the caption Audit Committee Report. The Audit Committee annually considers the qualifications of our independent auditor and selects and engages our independent auditor. The Audit Committee meets quarterly with representatives of the independent auditor and is available to meet at the request of the independent auditor. During these meetings, the Audit Committee receives reports regarding our books of accounts, accounting procedures, financial statements, audit policies and procedures, internal accounting and financial controls, and other matters within the scope of the Audit Committee's duties. The Audit Committee reviews the plans for and results of audits for us and our subsidiaries. The Audit Committee reviews the independence of the independent auditor, and considers and authorizes the fees for both audit and non-audit services provided by the independent auditor. In 2008, our Audit Committee held four meetings, including telephonic meetings, and all members of our Audit Committee were in attendance at each of these meetings. The Audit Committee adopted a written charter which is available on our website at <http://www.ramenergy.com>.

*Compensation Committee.* Members of our Compensation Committee are Sean P. Lane, Gerald R. Marshall and John M. Reardon, with Mr. Reardon acting as Chairman.

The members of our Compensation Committee are non-employee directors who meet the independence standards of The Nasdaq Stock Market, but are eligible to participate in any of the plans or programs that the Board of Directors administers. The Compensation Committee reviews and approves the compensation of our senior executives. The Compensation Committee also administers our 2006 Long-Term Incentive Plan, or the 2006 plan, and approves restricted stock awards and other stock-based grants for our executive officers and other employees. Our Compensation Committee adopted a written charter which is available on our website at <http://www.ramenergy.com>. See Compensation Discussion and Analysis below for information regarding our compensation process. In 2008, our Compensation Committee held five meetings, including telephonic meetings, and all members of our Compensation Committee attended each meeting. Our Compensation Committee also took action by written consent three times in 2008.

*Nominating and Corporate Governance Committee.* Members of our Nominating and Corporate Governance Committee are Sean P. Lane, Gerald R. Marshall and John M. Reardon, with Mr. Lane acting as Chairman.

Each member of our Nominating and Corporate Governance Committee is a non-employee director who meets the independence standards of The Nasdaq Stock Market. The Nominating and Corporate Governance Committee is responsible for overseeing the selection of persons to be nominated to serve on our Board of Directors. The Nominating and Corporate Governance Committee will consider persons identified by our Board members, management, stockholders, investment bankers and others.

We do not have any restrictions on stockholder nominations under our certificate of incorporation or bylaws. The Nominating and Corporate Governance Committee will consider stockholder nominees to be our directors. Any stockholder nominations must be received by us not less than sixty (60) days nor more than ninety (90) days prior to the annual meeting; provided however, that in the event that less than seventy (70) days notice or prior public disclosure of the date of the meeting is given or made to stockholders, notice by the stockholder, to be timely, must be received no later than the close of business on the tenth (10<sup>th</sup>) day following the day on which such notice of the date of the meeting was mailed or such public disclosure was made, whichever first occurs. Nominations should be delivered to the Nominating and Corporate Governance Committee at the following address: The RAM Energy Resources Nominating and Corporate Governance Committee, c/o Sean P. Lane, Committee Chairman, RAM Energy Resources, Inc., 5100 East Skelly Drive, Suite 650, Tulsa, Oklahoma

74135. The stockholder's nomination notice shall set forth: (i) as to each person whom the stockholder proposes to nominate for election or reelection as a director: (a) the name, age, business address and residence address of the person; (b) the principal occupation or employment and business experience of the person for at least the previous five years; (c) the class and number of shares of our capital stock which are beneficially owned by the person; and (d) any other information relating to the person that is required to be disclosed in solicitations for proxies for election of directors pursuant to the rules and regulations of the Securities and Exchange Commission, or SEC, under Section 14 of the Exchange Act; and (ii) as to the stockholder giving the notice: (a) the name and record address of the stockholder; and (b) the class and number of shares of our capital stock which is beneficially owned by the stockholder. Such submission must be accompanied by the written consent of the proposed nominee to be named as a nominee and to serve as a director, if elected. We may require any proposed nominee to furnish such other information as may reasonably be required by us to determine the eligibility of such proposed nominee to serve as a director.

Our Nominating and Corporate Governance Committee is responsible for identifying qualified candidates to be presented to our Board of Directors for nomination as directors, ensuring that our Board of Directors and our organizational documents are structured in a way that best serves our practices and objectives, and developing and recommending a set of corporate governance principles. The charter for the Nominating and Corporate Governance Committee requires that the Committee consist of no fewer than three Board members that satisfy the independence requirements of The Nasdaq Stock Market. In 2008, our Nominating and Corporate Governance Committee held five meetings, including telephonic meetings, and all members of the Committee were in attendance at each meeting. A copy of the current charter of the Nominating and Corporate Governance Committee is available on our website at <http://www.ramenergy.com>.

In considering possible candidates for election as a director, the Nominating and Corporate Governance Committee is guided by the principles that each director should be an individual of high character and integrity and have:

independence;

wisdom;

integrity;

an understanding and general acceptance of our corporate philosophies;

business or professional knowledge and experience that can bear on our challenges and deliberations and those of our Board of Directors;

a proven record of accomplishment with an excellent organization;

an inquiring mind;

a willingness to speak one's mind;

an ability to challenge and stimulate management; and

a willingness to commit time and energy to our business affairs.

Qualified candidates for membership as a director will be considered without regard to race, color, religion, gender, ancestry, national origin or disability.

## Edgar Filing: RAM ENERGY RESOURCES INC - Form DEF 14A

In addition to considering possible candidates for election as directors, the Nominating and Corporate Governance Committee may, in its discretion, review the qualifications and backgrounds of existing directors and other nominees (without regard to whether a nominee has been recommended by stockholders), as well as the overall composition of our Board of Directors, and recommend the slate of directors to be nominated for election at the ensuing annual meeting of stockholders. Currently, we do not employ or pay a fee to any third party to identify or evaluate, or assist in identifying or evaluating, potential director nominees.

The charter of our Nominating and Corporate Governance Committee provides that the Committee will evaluate our corporate governance effectiveness and recommend such revisions as it deems appropriate to improve our corporate governance. The areas of evaluation may include such matters as the size and independence requirements of our Board of Directors, Board committees, management succession and planning, and regular meetings of our non-employee directors without management in executive sessions. We do not have a policy requiring members of our Board of Directors to attend annual meetings of our stockholders. All of our directors attended our 2008 annual meeting.

Our Nominating and Corporate Governance Committee approves corporate goals and objectives for us on an annual basis, based in part on recommendations and projections furnished by management. These goals and objectives are utilized for management and corporate governance purposes and specifically not as metrics for determining compensation of our employees and executive officers. Through this process, our Nominating and Corporate Governance Committee plays an important role in focusing management on those corporate goals and objectives believed by our independent directors to be important in shaping our business priorities from year to year.

#### **Election of Directors; Voting Agreements**

In conjunction with our acquisition of Ascent Energy Inc. in 2007, certain of the former stockholders of Ascent Energy who received shares of our common stock in the merger entered into a voting agreement pursuant to which they agreed to vote their shares for the slate of directors proposed by our Board of Directors through our 2009 annual meeting. These stockholders beneficially own approximately 26% of our outstanding common stock.

#### **Stockholder Communications with the Board of Directors**

Our Board of Directors believes that direct access to our independent directors, who constitute our Nominating and Corporate Governance Committee and our Audit Committee, is essential to ensuring that corporate governance concerns, recommendations for director nominees, questions concerning our accounting functions, internal controls or auditing practices, and reports of potential violations of law or Company policies, are addressed at the highest level within the organization. Accordingly, our Board of Directors has established certain contact procedures, which can be found on our website at <http://www.ramenergy.com>.

#### **Code of Ethics**

Our Code of Ethics, which is applicable to all directors, managers and employees, embodies our global principles and practices relating to the ethical conduct of our business and our long-standing commitment to honesty, fair dealing and full compliance with all laws affecting our business. The Code of Ethics is available on our website at <http://www.ramenergy.com>. The Code of Ethics is also available in print to any stockholder who requests it.

Our toll free Access Line, information regarding which may be found on our website at <http://www.ramenergy.com>, may also be used by employees, customers, suppliers, stockholders and other interested parties to submit confidential and anonymous reports of suspected or actual violations of our Code of Ethics relating, among other things, to:

accounting practices, internal accounting controls, or auditing matters and procedures;

theft or fraud of any amount;

insider trading;

performance and execution of contracts;

conflicts of interest;

violations of securities and antitrust laws; and

violations of the Foreign Corrupt Practices Act.

**Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Exchange Act requires our directors, executive officers and persons who beneficially own more than 10% of our common stock to file certain reports with the SEC concerning their beneficial ownership of our equity securities. The SEC's regulations also require that a copy of all such Section 16(a) forms filed must be furnished to us by the executive officers, directors and greater than 10% stockholders. During 2008, (i) Sabrina Gicaletto and Vicky Lindsey each failed to timely file a Form 3, (ii) Ms. Lindsey and Mr. Lee each failed to timely file one Form 4 and (iii) each of Messrs. Lane and Reardon failed to timely file two Forms 4. To our knowledge, based solely on a review of the copies of such forms and amendments thereto received by us with respect to 2008, all other Section 16(a) filing requirements were timely met.

**Compensation Committee Interlocks and Insider Participation**

At December 31, 2008, our Compensation Committee consisted of Sean P. Lane, Gerald R. Marshall and John M. Reardon. No member of the Compensation Committee was one of our officers or employees, or an officer or employee of any of our subsidiaries at any time during 2008, and no member of our Compensation Committee had any relationship requiring disclosure in this proxy statement.

## SECURITY OWNERSHIP OF

## CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information regarding the beneficial ownership of our common stock as of March 30, 2009 by:

each person known by us to be the beneficial owner of more than 5% of our outstanding shares of common stock;

each of our named executive officers;

each of our directors; and

all our current executive officers and directors as a group.

Name and Address of Beneficial Owner	Number of Shares	Percent of Class(1)
Larry E. Lee(2)(3)	12,680,187	15.9%
Britani Talley Bowman(4)(5)	10,917,419	13.7%
G. Les Austin(2)	200,000	*
John M. Longmire(2)(6)	87,300	*
Larry G. Rampey(2)	310,880	*
Drake N. Smiley(2)	305,880	*
Vicky L. Lindsey(2)	94,000	*
Gerald R. Marshall(2)	50,000	*
John M. Reardon(2)	157,946	*
Sean P. Lane(7)	50,500	*
Jefferies & Company, Inc.(8)	17,124,998	21.5%
All directors and current executive officers as a group (7 individuals)	14,016,580	17.6%

\* Less than 1%

- (1) The outstanding shares of common stock used to determine the percentage of shares beneficially owned by the designated stockholders do not include approximately 275,000 shares of our common stock issuable upon the exercise of outstanding unit purchase options, and 2,592,526 shares that may be granted by us as awards under our 2006 plan.
- (2) The business address of this person is 5100 E. Skelly Drive, Suite 650, Tulsa, Oklahoma 74135.
- (3) Includes 10,625,000 shares owned by family trusts for the benefit of Mr. Lee's family.
- (4) Ms. Bowman's business address is 3155 East 86 Street, Tulsa, Oklahoma 74137.
- (5) These shares are held by Danish Knights, A Limited Partnership. Ms. Bowman beneficially owns 98.5% of Danish Knights and is the custodian for a 1.3% interest owned by her minor child. Dannebrog Corporation, the general partner of Danish Knights, owns the remaining 0.2% interest. Ms. Bowman is the president and sole director of Dannebrog Corporation. Accordingly, Ms. Bowman exercises voting and dispositive power over all shares held by Danish Knights.
- (6) Resigned as our chief financial officer effective April 1, 2008 and as our senior vice president effective July 1, 2008 and is no longer an officer. The number of shares reflects Mr. Longmire's ownership as of July 1, 2008.
- (7) Mr. Lane's business address is 122 E. 42nd Street, Suite 2308, New York, NY 10168.
- (8) Reflects shares beneficially owned by (i) Jefferies & Company, Inc. ( *Jefferies* ), (ii) Jefferies Group, Inc. ( *Jefferies Group* ), (iii) Jefferies High Yield Trading, LLC ( *Trading* ) and (iv) Jefferies High Yield Holdings, LLC ( *Holdings* ). The business address of Jefferies and Jefferies Group is 520 Madison Ave., 12<sup>th</sup> Floor, New York, NY 10022. The business address of Trading and Holdings is The Metro Center, One Station Place, Three North, Stamford, Connecticut 06902. Beneficial ownership among these parties is as follows:



Edgar Filing: RAM ENERGY RESOURCES INC - Form DEF 14A

Jefferies may be deemed to be the beneficial owner of 17,124,998 shares of our stock. This number consists of (i) 2,170,945 shares of our stock held for its own account, and (ii) 14,954,053 shares of our stock held for the account of Trading.

Jefferies Group may be deemed to be the beneficial owner of 17,124,998 shares of our stock. This number consists of (i) 2,170,945 shares of our stock held for the account of Jefferies, and (ii) 14,954,053 shares of our stock held for the account of Trading.

Trading may be deemed to be the beneficial owner of 14,954,053 shares of our stock. This number consists of 14,954,053 shares of our stock held for its own account.

Holdings may be deemed to be the beneficial owner of 14,954,053 shares of our stock. This number consists of 14,954,053 shares of our stock held for the account of Trading.

None of the parties admits that Jefferies, Trading, Holdings, or Jefferies Group is, for purposes of Sections 13(d) or 13(g) of the Exchange Act, the beneficial owner of any shares not held directly for the account of each such entity.

#### **CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS**

Brandon Lee, the son of our chairman, president and chief executive officer, serves as our Manager of Business Development. Total compensation paid to Brandon Lee as a result of base salary, bonus, award grants under our 2006 plan, and other benefits totaled \$171,048 in 2008.

Our bylaws require that no contract or other transaction shall be made or entered into between us and (i) any of our directors or executive officers, (ii) any person known to be a beneficial owner of more than 5% of any class of our voting securities (a 5% owner), or (iii) any immediate family member of any director, executive officer or 5% owner unless (y) the contract or transaction is on terms no less favorable to us than may reasonably be available to us from an unaffiliated third party, and (z) if material in amount, is approved by vote of a majority of our disinterested directors.

We have and will continue to reimburse our officers and directors for any reasonable out-of-pocket business expenses incurred by them in connection with certain activities on our behalf, such as identifying and investigating possible target businesses and business combinations.

#### **Compensation Discussion and Analysis**

##### *Overview of Compensation Program*

Our Board of Directors has overall responsibility for establishing compensation for our directors and executive officers. Our Board of Directors has delegated to the Compensation Committee of the Board the responsibility for establishing, implementing and continually monitoring adherence with our compensation philosophy with respect to our executive officers. The Committee ensures that the total compensation paid to our executive officers is fair, reasonable and competitive. Throughout this proxy statement, the individuals who served as our chief executive officer and chief financial officer during fiscal 2008, as well as the other individuals included in the Summary Compensation Table provided below, are referred to as our named executive officers. With the exception of our president and chief executive officer, Larry E. Lee, and our chief financial officer, G. Les Austin, the types of compensation and benefits provided to our named executive officers are similar to those provided to other executive officers. Compensation and benefits provided to Messrs. Lee and Austin are controlled by their employment agreement or arrangement described below.

##### *Compensation Philosophy and Objectives*

The Committee believes that the most effective executive compensation program is one designed to obtain and retain our key executives, reward longevity of employment, reward the achievement of annual, long-term and strategic goals, align the executives' interests with those of the stockholders and ultimately improve stockholder value. The Committee evaluates both performance and compensation to ensure we maintain our

ability to attract and retain superior employees in key positions and that compensation provided to our key employees remains competitive relative to the compensation paid to similarly situated executives of our peer companies. To that end, the Committee believes executive compensation packages provided to our executives, including our named executive officers, should include both cash and stock-based compensation. In November, 2007, the Committee specifically reviewed its philosophy concerning the grant of equity awards under our 2006 plan, as follows:

our most important asset is a highly educated, well-trained, experienced and dedicated management, professional and support staff;

in the current environment in the oil and natural gas exploration and production industry, attracting and retaining top quality management, professional and support staff is more competitive than ever;

in order to build and preserve this most important asset, we must offer attractive compensation and equity-based incentives to our key management, professional and support staff;

equity-based awards create an identity of interest between our key employees and our stockholders; and

equity-based awards incentivize award recipients to give their best efforts toward maximizing the value of our oil and gas assets and controlling costs, thereby providing the circumstances most likely to result in stock price natural appreciation for the benefit of all equity holders.

The Committee also renewed its commitment to granting equity-based awards in the form of restricted stock rather than stock options or other types of equity-based awards available under the 2006 plan because:

restricted stock awards are more desirable, from the employee's standpoint, because they are more immediate and substantive than options;

employees receiving stock awards are stockholders with voting rights and the right to receive current dividends, instead of just option holders with the possibility of becoming stockholders in the future, thereby creating an immediate identity of interest with the public stockholders; and

restricted stock awards are more attractive to us because fewer shares are required to achieve the same incentive result.

The Committee confirmed this philosophy when considering cash and stock-based compensation in 2008. In making its compensatory decisions, the Committee noted that we had met substantially all of the goals and objectives set by our Nominating and Corporate Governance Committee for calendar year 2008, including, but not limited to:

a significant increase in total production over the prior year;

the execution of our business plan, substantially as projected;

compliance with all financial ratios and other covenants under our senior secured credit facility;

development of a plan for transition of all accounting functions to our Plano office;

development of a risk management plan;

development of a succession plan for senior officers;

integration of Ascent and its properties into ours; and

the timely filing of all SEC and Nasdaq reports.

Although we had obtained this financial and operating success, as well as a resulting increase in our intrinsic value and that of our assets, the Committee recognized that our stock price had declined precipitously at the end of 2008. The Committee determined that the cause of this decline was not due to the actions of management, but rather to:

the current worldwide economic crisis and the resulting slowdown in the United States economy evidencing the early stages of a recession that may last through calendar year 2009;

the resulting reduction in worldwide demand for oil and natural gas, resulting in the realization of lower prices for our oil and natural gas;

the continuing dysfunction in worldwide capital and credit markets; and

the irrational behavior of the stock market, without regard to the intrinsic value of companies whose stock prices have been driven to unimaginable lows.

Recognizing the decline in the current market value of our common stock, the Committee determined that bonuses paid for 2008 should not exceed bonuses awarded to our officers in 2007.

#### *Role of Executive Officers in Compensation Decisions*

The Committee makes all compensation decisions for all of our executive officers and, after consultation with our president and chief executive officer, approves equity awards to all of our employees. Decisions regarding the non-equity compensation of other employees are made by our president and chief executive officer after consultation with the Committee.

Our president and chief executive officer annually reviews the performance of each executive officer (other than himself, whose performance is reviewed by the Committee). The conclusions reached as the result of and recommendations based on these reviews, including recommendations with respect to salary adjustments and annual bonus or equity award amounts, are presented to the Committee. The Committee then exercises its discretion in determining adjustments or awards to executive officers.

#### *Setting Executive Compensation*

Our Compensation Committee engaged Pearl Meyer & Partners, an outside compensation consulting firm, to assist the Board and the Committee in crafting our total compensation program for our executive officers and to assist the Board in determining compensation for our directors.

In its reports, Pearl Meyer provided the Committee with relevant market data and alternatives to consider when making both cash compensation and equity-based compensation decisions for our executive officers, and in making recommendations to our Board of Directors for cash compensation and equity-based awards to our non-employee directors. The reports included a competitive salary analysis of general industry and energy compensation surveys showing market average salaries for executive officers and directors in companies similar to ours. Utilizing in part this report, the Committee approved the increase in Mr. Lee's and our other executive officers' base salaries, the granting of a cash bonus to Mr. Lee and our other executive officers for services provided in 2008 and made recommendations to our Board of Directors regarding director compensation, which recommendations subsequently were approved.

#### *2008 Executive Compensation Components*

The Committee designs cash and stock-based incentive compensation awards intended to accomplish the following goals:

maintain competitive levels of compensation in order to retain key employees due to the continuing competitive environment in the energy industry;



reward key employees for job performance over the past year;

recognize longevity as an important aspect of the officer ranks, which results in more predictable leadership and more efficient and productive employees throughout our organization;

provide incentive to continue the provision of high-level job performance; and

in all matters involving compensation of our officers and employees, to be fair to the officers and employees on the one hand, and to our stockholders on the other hand, by setting compensation in a manner that aligns the interests of the parties with the ultimate goal of enhancing our long-term performance.

For the fiscal year ended December 31, 2008, the principal components of compensation for our named executive officers were:

base salary;

performance-based incentive compensation; and

perquisites and other personal benefits.

When selecting the components and amounts of compensation for 2008, the Compensation Committee specifically intended to reward key employees for excellent job performance and long work hours over the past year, during which we accomplished substantially all of the goals and objectives set by the Nominating and Corporate Governance Committee discussed above. The Committee also intended to provide incentives going forward into a year in which we expect increasing challenges relating to our operations and financial condition as a result of the current worldwide economic crisis and dysfunction in the credit and capital markets.

#### *Base Salary*

We provide our named executive officers and other employees with base salary to compensate them for services rendered during the fiscal year. Base salary ranges for our named executive officers are determined for each executive based on his or her position and responsibility by using market data and by performance evaluations. Base salary ranges are designed so that salary opportunities for a given position generally will be within the 50<sup>th</sup> percentile of the market salary surveyed.

During its review of base salaries for executives, the Committee primarily considers:

market data provided by our outside consultant;