

Edgar Filing: YAAK RIVER RESOURCES INC - Form DEF 14C

YAAK RIVER RESOURCES INC
Form DEF 14C
May 19, 2004

SCHEDULE 14C INFORMATION

Information Statement Pursuant to Section 14(c) of the Securities
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

YAAK RIVER RESOURCES, INC.

(Name of Registrant as Specified In Its Charter)

Payment of Filing Fee (Check the 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 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.

- (1) Amount Previously Paid:
- (2) Form, Schedule or Registration Statement No.:
- (3) Filing Party:
- (4) Date Filed:

Yaak River Resources, Inc.
423 Baybridge Drive
Sugarland, TX 77478
281-242-7656

Edgar Filing: YAAK RIVER RESOURCES INC - Form DEF 14C

NOTICE OF ACTION TAKEN BY THE SHAREHOLDERS BY WRITTEN CONSENT OF A MAJORITY

MAY 19, 2004

To The Shareholders of Yaak River Resources, Inc.

Eric Sunsvold, Donald J. Smith, Robert Pike, and Darrell Benjamin (collectively, the "Majority Shareholders") are the holders of a total of 43,361,582 shares or approximately 64% of the total issued and outstanding stock of Yaak River Resources, Inc., a Colorado corporation (the "Company"). The Majority Shareholders have adopted the following resolutions by written consent in lieu of a meeting pursuant to the Business Corporation Act of the State of Florida, and subject to the Notice requirements of Section 14 of the Securities Exchange Act of 1934.

1. To change the Company's name to a name to be determined by the Board of Directors.
2. To authorize a reverse split of the Company's common stock on a one for sixty-eight basis.

Blaize N. Kaduru, President

WE ARE NOT ASKING YOU FOR A CONSENT OR A PROXY AND YOU ARE
REQUESTED NOT TO SEND US A PROXY.

Yaak River Resources, Inc.
423 Baybridge Drive
Sugarland, TX 77478
281-242-7656

May 19, 2004

NOTICE OF SHAREHOLDERS' ACTION

The Majority Shareholders have submitted their consents to the actions described in this Information Statement on or about May 19, 2004, to be effective on or before June 10, 2004. As of May 10, 2004, the Majority Shareholders held of record 43,361,582 shares of the Company's common stock, or approximately 64% of the total issued and outstanding common stock of the Company. The remaining outstanding shares of common stock are held by approximately fifty-five other shareholders.

The Majority Shareholders consenting consist of Eric Sunsvold, Donald J. Smith, Robert Pike, and Darrell Benjamin. See "SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS."

Holders of the common stock of record as of May 10, 2004 are entitled to submit their consent to the shareholder resolutions described in this Information Statement, although no shareholder consents other than that of the Majority Shareholders are required to be submitted in order for the resolution

Edgar Filing: YAAK RIVER RESOURCES INC - Form DEF 14C

to be adopted. The Company is NOT soliciting consents or proxies and shareholders have no obligation to submit either of them. Whether or not shareholders submit consents should not affect their rights as shareholders or the prospects of the proposed shareholder resolutions being adopted. The Majority Shareholders will consent to all of the shareholder resolutions described in this Information Statement. The affirmative vote of the holders of a majority of the outstanding common stock of the Company is required to adopt the resolutions described in this Information Statement. Florida law does not require that the proposed transaction be approved by a majority of the disinterested shareholders. A total of 41,360,010 shares of common stock will be entitled to vote on the Company's proposed transactions described in this Information Statement.

THE COMPANY

The Company has its executive offices at 423 Baybridge Drive, Sugarland, TX 77478, and its telephone number is (281) 242-7656. As described in the accompanying NOTICE OF ACTION TO BE TAKEN BY THE SHAREHOLDERS, the Company proposes to adopt certain amendments to the Articles of Incorporation by shareholder action as follows:

Proposal #1

AMENDMENT TO ARTICLES FOR CORPORATION NAME CHANGE

The majority shareholders have authorized a change in the name of this corporation to a name to be chosen by the Board in its discretion. This requires an amendment to the Articles of Incorporation.

The Board believes the name change in our Articles of Incorporation is in the best interest of the corporation to change from a mineral exploration image of the Company.

PROPOSAL 2

REVERSE SPLIT OF COMMON STOCK ISSUED AND OUTSTANDING

To Authorize a reverse split of the common stock on a one for sixty-eight basis, by which each sixty-eight shares shall become one share.

Our shareholders have approved a pro-rata reverse split of our common stock, by which each sixty-eight shares would become one share. The effective date of the reverse split will be within 45 days following the date of the mailing of this Notice.

The shareholders entitled to fractional shares as a result of the reverse split will have the fractional shares rounded up to the nearest whole share, because the cost of administering fractional share to the Company and the confusion, inconvenience, and administrative time at the transfer agent and for "street name" shareholders. The Board has determined that it is more cost effective and better business practice on a cost/benefit analysis to handle fractional shares this way than to attempt to administer them as fractional shares or to pay cash or scrip for them. At the most, the Company estimates, this rounding up to the nearest whole share would result in the issuance of fractional shares on a post-reverse split basis which at current price is \$1.40 at \$.014 per share.

Edgar Filing: YAAK RIVER RESOURCES INC - Form DEF 14C

There will be no change in the number of record holders as a result of the reverse split.

We believe that reverse split will be advantageous to us and to all shareholders, because it may provide the opportunity for higher share prices based upon fewer shares. It is also a factor that most brokerage houses do not permit or favor lower-priced stocks to be used as collateral for margin accounts. Certain policies and practices of the securities industry may tend to discourage individual brokers within those firms from dealing in lower-priced stocks. Some of those policies and practices involve time-consuming procedures that make the handling of lower priced stocks economically unattractive. The brokerage commissions on the purchase or sale of lower priced stocks may also represent a higher percentage of the price than the brokerage commission on higher priced stocks.

As a general rule, potential investors who might consider making investments in our company will refuse to do so when the company has a large number of shares issued and outstanding with no equity. In other words, the "dilution" which new investors would suffer would discourage them from investing, as general rule of experience. A reduction in the total outstanding shares may, without any assurance, make our capitalization structure more attractive.

The Company does not now qualify for a listing on any exchange, AMEX, NASDAQ, NYSE, or any smaller exchange. The Company does not meet any exchange qualifications at this time except that it is an SEC registered company. There is no assurance whatsoever that the Company will ever meet most of any exchange listing criteria.

There is no assurance that any effect to the price of our stock will result, or that the market price for our common stock, immediately or shortly after the proposed changes will rise, or that any rise which may occur will be sustained. Market conditions are not predictable and may be influenced by changes in investor attitudes and external economic conditions. We are proposing the steps we deem best calculated to meet the market attractively. We cannot control the market's reaction.

Dissenting shareholders have no appraisal rights under Colorado law or pursuant to our constituent documents of incorporation or bylaws, in connection with the reverse split.

Additional information regarding the Company, its business, its stock, and its financial condition are included in the Company's Form 10-KSB annual reports and its Form 10-QSB quarterly reports. Copies of the Company's Form 10-KSB for its fiscal year ending December 31, 2002 and its quarterly report on the Form 10-QSB for the quarter ending September 30, 2003 are available upon request to: Blaize N. Kaduru, President, Yaak River Resources, Inc., 423 Baybridge Drive, Sugarland, TX 77478.

SECURITY OWNERSHIP OF DIRECTORS AND OFFICERS AND CERTAIN BENEFICIAL OWNERS

The following table sets forth certain information known to the Company with respect to the beneficial ownership of the Company's common stock as of April 20, 2004 by (i) each person who is known by the Company to own beneficially more than 5% of the Company's common stock, (ii) each of the Company's directors and executive officers, and (iii) all officers and directors

Edgar Filing: YAAK RIVER RESOURCES INC - Form DEF 14C

of the Company as a group. Except as otherwise listed below, the address of each person is c/o Yaak River Resources, Inc., 423 Baybridge Drive, Sugarland, TX 77478.

Name and Address of Beneficial Owner	Number of Shares Owned Beneficially	Percentage of Class
Eric Sunsvold 423 Baybridge Drive Sugarland, TX 77478	6,694,605	9.9%
Donald J. Smith 2501 E. Third St. Casper, WY 82609	31,661,977(1)	47.0%
Robert Pike 6396 E. Fair Avenue Englewood, CO 80111	680,000	1.0%
Blaize N. Kaduru 423 Baybridge Drive Sugarland, TX 77478	0	0%
Darrell Benjamin 6658 S. Starlight Rd. Morrison, CO 80465	4,325,000	6.4%
All officers and directors as a group (two persons)	32,341,977	48.0%

(1) The figure shown includes 10,000 shares held in the name of Suvo Corp. Mr. Smith is the owner of Suvo Corp.

The Company currently has 67,308,857 shares issued and outstanding.

Notes to the table:

Unless otherwise indicated, the persons named in the table have sole voting and investment power with respect to all shares of common stock shown as beneficially owned by them.

MANAGEMENT

The following table lists the names and ages of the executive officers and directors of the Company. The directors were appointed in prior years and will continue to serve until the next annual shareholders meeting or until their successors are appointed and qualified. All officers serve at the discretion of the Board of Directors.

NAME ----	AGE ---	POSITION WITH THE COMPANY -----
Blaize N. Kaduru	53	President, Secretary and Treasurer and a Director since December 18, 2002
Robert Pike	74	Vice President and a Director since December 21, 1999

Edgar Filing: YAAK RIVER RESOURCES INC - Form DEF 14C

(b) Directors' Compensation

Directors who are also officers of Yaak River Resources, Inc. receive no cash compensation for services as a director. However, the directors will be reimbursed for out-of-pocket expenses incurred in connection with attendance at board and committee meetings. The Company has granted options to directors under its Stock Incentive Plan subsequently adopted.

SUMMARY COMPENSATION TABLE OF DIRECTORS
(To December 31, 2003)

Name and Principal Position	Year	Cash Compensation			Security Grants			LTIP Payments	AL Co
		Annual retainer Fees (\$)	Meeting Fees (\$)	Consulting Fees/Other Fees (\$)	Number of Shares (#)	Securities Underlying Options/SARs (#) (SHARES)			
Blaize N. Kaduru, Director	2001	0	0	0	0	0	0		
	2002	0	0	0	0	0	0		
	2003	0	0	0	0	0	0		
Robert Pike, Director	2001	0	0	0	0	0	0		
	2002	0	0	0	0	0	0		
	2003	0	0	0	0	0	0		
Directors as a group	2001	0	0	0	0	0	0		
	2002	0	0	0	0	0	0		
	2003	0	0	0	0	0	0		

There have been no Option/SAR grants or exercises in the last fiscal year reportable under Reg. S-B, 402(c) or (d).

(c) Termination of Employment and Change of Control Arrangements. None.

(d) Stock purchase options: None

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

During the fiscal year ended December 31, 2003, the Company did not engage in any related-party transactions.

There were no transactions, or series of transactions, for the fiscal year ended December 31, 2003, nor are there any currently proposed transactions, or series of the same, to which the Company is a party, in which the amount involved exceeds \$60,000 and in which to the knowledge of the Company any director, executive officer, nominee, five-percent shareholder or any member of the immediate family of the foregoing persons have or will have a direct or indirect material interest.

Edgar Filing: YAAK RIVER RESOURCES INC - Form DEF 14C

INDEPENDENT AUDITORS

The Board of Directors has authorized the firm of Michael Johnson & Co., LLC, CPAs, independent certified public accountants, to serve as independent auditors for the fiscal year ended December 31, 2004.

SHAREHOLDER PROPOSALS AND NOMINATING PROCEDURES

Any proposal that a shareholder intends to present at the Company's 2004 Annual Meeting should have been received at the Company's principal executive office no later than August 31, 2004. Any such proposal must comply with Rule 14a-8 of Regulation 14A of the proxy rules of the Securities and Exchange Commission. Shareholder proposals should be addressed to the Secretary of the Company.

Nominations for directors to be elected at the 2004 Annual Meeting, other than those made by the Board of Directors, should be submitted to the Secretary of the Company no later than August 31, 2004. The nomination should include the full name of the nominee and a description of the nominee's background in compliance with Regulation S-K of the reporting rules of the Securities and Exchange Commission.

OTHER MATTERS

The Board of Directors of the Company is not aware that any matter other than those described in this Information Statement is to be presented for the consent of the shareholders.

UPON WRITTEN REQUEST BY ANY SHAREHOLDER TO BLAIZE KADURU, PRESIDENT OF THE COMPANY, AT YAAK RIVER RESOURCES, INC., 423 BAYBRIDGE DRIVE, SUGARLAND, TX 77478 TELEPHONE (281) 242-7656, A COPY OF THE COMPANY'S ANNUAL REPORT ON FORM 10-KSB AND INTERIM REPORTS ON FORM 10QSB WILL BE PROVIDED WITHOUT CHARGE.