

CANO PETROLEUM, INC  
Form 8-K  
July 10, 2009

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, DC 20549

**FORM 8-K**

**CURRENT REPORT PURSUANT  
TO SECTION 13 OR 15(D) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

Date of report (Date of earliest event reported) **July 2, 2009**

**Cano Petroleum, Inc.**

(Exact Name of Registrant as Specified in Its Charter)

**Delaware**

(State or Other Jurisdiction of Incorporation)

**001-32496**  
(Commission File Number)

**801 Cherry Street, Suite 3200**  
**Fort Worth, Texas**  
(Address of Principal Executive Offices)

**77-0635673**  
(IRS Employer Identification No.)

**76102**  
(Zip Code)

**(817) 698-0900**

Edgar Filing: CANO PETROLEUM, INC - Form 8-K

(Registrant's Telephone Number, Including Area Code)

**Not Applicable**

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-

**Item 8.01. Other Events.**

As previously disclosed, a lawsuit was filed on October 2, 2008 in the United States District Court for the Southern District of New York against the directors of Cano Petroleum, Inc. ( "Cano" ) who were outside directors on June 26, 2008 and the underwriters of the June 26, 2008 public offering of Cano common stock (the "Secondary Offering" ) alleging violations of the federal securities laws. At the defendants' request, the case was transferred to the United States District Court for the Northern District of Texas.

On July 2, 2009, the plaintiffs filed an amended complaint that adds as defendants Cano, Cano's Chief Executive Officer and Chairman of the Board, Jeff Johnson, Cano's former Senior Vice President and Chief Financial Officer, Morris B. Sam Smith, Cano's current Senior Vice President and Chief Financial Officer, Ben Daitch, Cano's Vice President and Principal Accounting Officer, Michael Ricketts and Cano's Senior Vice President of Engineering and Operations, Patrick McKinney, and drops Gerald W. Haddock, a former director of Cano, as a defendant. The amended complaint alleges that the prospectus for the Secondary Offering contained statements regarding Cano's proved reserve amounts and standards that were materially false and overstated Cano's proved reserves. The plaintiff is seeking to certify the lawsuit as a class action lawsuit and is seeking an unspecified amount of damages. Due to the inherent risk of litigation, the outcome of this lawsuit is uncertain and unpredictable; however, Cano, its officers and its outside directors intend to vigorously defend the lawsuit.

Cano is cooperating with its Directors and Officers Liability insurance carrier regarding the defense of the lawsuit.

\* \* \* \* \*

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**CANO PETROLEUM, INC.**

Date: July 9, 2009

By: /s/ Benjamin Daitch  
Benjamin Daitch  
Senior Vice President and  
Chief Financial Officer