
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 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): May 8, 2020

Mammoth Energy Services, Inc.

(Exact name of registrant as specified in its charter)

**001-37917
(Commission File No.)**

Delaware
(State or other jurisdiction of
incorporation or organization)

32-0498321
(I.R.S. Employer
Identification No.)

**14201 Caliber Drive, Suite 300
Oklahoma City, Oklahoma**
(Address of principal executive offices)

73134
(Zip Code)

(405) 608-6007
(Registrant's telephone number, including area code)

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:

- 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))

Securities registered pursuant to Section 12(b) of The Act:

Title of each class
Common Stock

Trading Symbol(s)
TUSK

Name of each exchange on which registered
The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§232.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging Growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(s) of the Exchange Act.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On May 8, 2020, Mammoth Energy Services, Inc., a Delaware corporation (the “Company”), received a letter from Mr. Jonathan H. Yellen announcing his resignation from the Company’s board of directors (the “Board”), effective immediately (the “Resignation Letter”). Prior to his resignation, Mr. Yellen was a member of the Nominating and Corporate Governance Committee, the Audit Committee and the Compensation Committee.

The Resignation Letter was attached to an e-mail also received on May 8, 2020 (the “E-mail”) expressing Mr. Yellen’s views on the application of Accounting Standards Codification 450-20 to the Company’s outstanding receivable from the Puerto Rico Electric Power Authority (the “PREPA”).

On May 13, 2020, the Company received a letter from Mr. Yellen (the “May 13 Letter”) summarizing his reasons for resigning from the Board, specifically referencing concerns regarding corporate governance matters and the PREPA receivable matter discussed above. Copies of the Resignation Letter, the E-mail and the May 13 Letter are filed as exhibits to this Current Report on Form 8-K and the complete texts thereof are incorporated in this Item 5.02 by reference.

The Company disagrees with the comments made by Mr. Yellen in the May 13 Letter regarding the Board, its committees and their processes. Further, the Company rejects and disagrees with any suggestion by Mr. Yellen that may be contained in the E-mail or the May 13 Letter that the Company’s receivable from PREPA is not appropriately presented and disclosed in the Company’s financial statements. The Company’s position follows a full discussion and review of the matter by management and the Audit Committee. A description of the Company’s position on the receivable from PREPA, as well as the risk factors associated therewith, can be found in the Company’s Annual Report on Form 10-K for the year ended December 31, 2019 and the Company’s Quarterly Report on Form 10-Q for the first quarter ended March 31, 2020.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

[17.1](#) [Resignation Letter from Jonathan H. Yellen, dated May 8, 2020.](#)

[17.2](#) [Email Correspondence from Jonathan H. Yellen, dated May 8, 2020.](#)

[17.3](#) [Letter dated May 13, 2020 from Jonathan H. Yellen to the Board of Directors of the Company.](#)

Signature

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 thereunto duly authorized.

Date: May 14, 2020

By: **MAMMOTH ENERGY SERVICES, INC.**
/s/ Mark Layton

Mark Layton
Chief Financial Officer and Secretary

May 8, 2020

To the Board of Directors of
Mammoth Energy Services, Inc.
14201 Caliber Drive, Suite 300
Oklahoma City, OK 73134

Effective immediately, I hereby resign as a member of the Board of Directors of Mammoth Energy Services, Inc.

/s/ Jonathan H. Yellen
Jonathan H. Yellen

Cc: Mark Layton, Secretary (Mammoth)
Matthew Thompson, Senior Counsel (Mammoth)
Tom Knight (Grant Thornton)
Seth Molay (Akin Gump)
Patrick K. Craine (Gulfport)

Full Text of Email Correspondence From Jonathan H. Yellen Accompanying the Resignation Letter

Mark referred to ASC450-20, in that a loss is recognized when both of the following conditions are met: (1) it is probable that an entity “will be unable to collect all amounts due according to the contractual terms of the receivable” and (2) uncollectible amounts “can be reasonably estimated.” It would seem that the financial reporting positions management proposes to maintain regarding the PREPA receivables and accruing related interest while those receivables remain unpaid, may be defensible.

While I am very comfortable with the sum and substance of my report of my early April conversation with Arthur, which was the immediate driver for my concern at this time, if Arthur is going to (x) deny having said what he said to me at that time, (y) mischaracterize it or (z) simply change his view, the committee is of course free to accept that, even if I do not. If that is the case and on that basis, then despite my misgivings, the second prong above - that the loss can be reasonably estimated - may not be satisfied.

Please see attached.

May 13, 2020

The Board of Directors
Mammoth Energy Services, Inc.
14201 Caliber Drive, Suite 300
Oklahoma City, OK 73134

Gentlemen:

As you are aware, I resigned from the Board of Directors of Mammoth on the morning of Friday May 8. Later that day, I received an email from Art Smith expressing some surprise at my resignation. I did not expect his reaction, given the extensive recent discussions I had with Art (one-on-one and together with Matt Ross) during the past few weeks regarding corporate governance and other issues of concern to each of us. As a result, I would like to take this opportunity to summarize briefly my reasons for resigning from the Board.

During my service on the Board, and particularly during the past several weeks, two key areas caused my concern and ultimately led me to conclude that my continued service on the Board had become untenable.

First, as a member of the Board and its Nominating and Corporate Governance Committee, I was frustrated by the cavalier approach taken toward corporate governance. I could cite a number of specific examples of deficient governance processes or decisions, many of which I attempted to remedy through proposed process changes. One notable example relates to the process followed by the Board and the committee in selecting new directors and evaluating the independence of new and existing directors. Another relates to the fact that the independent directors have been prevented from playing the roles contemplated under applicable law, Nasdaq rules and our existing committee charters. Despite my efforts, both the concerns I raised and my suggested remedies were dismissed out of hand and, at times, with condescension and hostility. In the end, I concluded that I would not be able to help bring about the constructive change in this important area.

Second, as a member of the Audit Committee, I expressed concerns regarding the significant receivable (approximately \$227 million at March 31, 2020) due to a Mammoth subsidiary from PREPA for work performed to rebuild Puerto Rico's electric power grid following Hurricane Maria, as well as interest accrued on this receivable under the applicable contracts (approximately \$49.7 million, in the aggregate, through March 31, 2020). The amounts involved are significantly higher than the company's current market capitalization and, therefore, are undoubtedly material to the company. As you know, I voiced my concerns and objections in detail during the Audit Committee meeting on Thursday, May 7, and in correspondence later that day. I received only limited and unconvincing information, however, to support the reporting position I questioned, which remains unchanged and is ultimately reflected in the financial statements filed as part of the company's quarterly report on Form 10-Q filed on May 11.

Overlaying these two specific concerns, my general sense that decisions by the Board at Mammoth are not being made in the way they should. I ultimately concluded that this dynamic is both unacceptable and beyond my power to rectify.

Very truly yours,

/s/ Jonathan H. Yellen
Jonathan H. Yellen

Cc: Mark Layton – Mammoth Energy Services, Inc.
Matthew Thompson – Mammoth Energy Services, Inc.
Tom Knight – Grant Thornton LLP
Seth Molay – Akin Gump
Geoffrey Newton – Baker Botts L.L.P.