

LINSCO, LLC

FORM 8-K/A (Amended Current report filing)

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

FORM 8-K/A
(Amendment No. 1)

CURRENT REPORT
Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported)

September 15, 2016

(August 1, 2016)

LinnCo, LLC

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation)

001-35695

(Commission
File Number)

45-5166623

(IRS Employer
Identification No.)

600 Travis, Suite 5100

Houston, Texas

(Address of principal executive offices)

77002

(Zip Code)

Registrant's telephone number, including area code: **(281) 840-4000**

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))

EXPLANATORY NOTE

This Amendment No. 1 to Current Report on Form 8-K (“Amendment No. 1”) amends and supplements the Current Report on Form 8-K filed with the Securities and Exchange Commission (“SEC”) by LinnCo, LLC (the “Company” or “LinnCo”) on August 5, 2016 (“Original Report”). As previously reported, on August 1, 2016, LinnCo completed its offer to exchange each outstanding unit of Linn Energy, LLC (“LINN Energy”) for one LinnCo share (the “Exchange Offer”) upon the terms and conditions of the Prospectus/Offer to Exchange dated April 26, 2016, and the accompanying Amended and Restated Letter of Transmittal.

The Company is filing this Amendment No. 1 to include the audited and unaudited financial statements and information required by Item 9.01(a) and the pro forma financial information required by Item 9.01(b). No other amendments to the Original Report are being made by this Amendment No. 1.

Item 9.01 Financial Statements and Exhibits.

(a) *Financial Statements of Business Acquired.*

The unaudited financial statements of LINN Energy as of June 30, 2016, and for the three months and six months ended June 30, 2016 and 2015, and the notes thereto, are incorporated herein by reference to Part I, Item 1. of LINN Energy’s Quarterly Report on Form 10-Q for the quarter ended June 30, 2016, filed with the SEC on August 4, 2016.

The audited financial statements of LINN Energy as of December 31, 2015 and 2014, and for each of the years in the three-year period ended December 31, 2015, and the notes thereto, are incorporated herein by reference to Part II, Item 8. of LINN Energy’s Annual Report on Form 10-K for the year ended December 31, 2015, filed with the SEC on March 15, 2016.

(b) *Pro Forma Financial Information.*

The unaudited pro forma condensed combined financial information relating to the Exchange Offer is attached as Exhibit 99.1 to this Amendment No. 1 and is incorporated herein by reference.

(d) *Exhibits.*

Exhibit Number	Description
Exhibit 23.1	Consent of KPMG LLP, independent registered public accounting firm for Linn Energy, LLC.
Exhibit 99.1	The unaudited pro forma condensed combined financial statements, and the notes thereto, of LinnCo as of and for the six months ended June 30, 2016, and for the year ended December 31, 2015.

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.

LINSCO, LLC
(Registrant)

Date: September 15, 2016

/s/ David B. Rottino

David B. Rottino
Executive Vice President and Chief Financial Officer

Consent of Independent Registered Public Accounting Firm

The Board of Directors
Linn Energy, LLC:

We consent to the use of our reports dated March 15, 2016, with respect to the consolidated balance sheets of Linn Energy, LLC as of December 31, 2015 and 2014, and the related consolidated statements of operations, unitholders' capital (deficit), and cash flows for each of the years in the three-year period ended December 31, 2015, and the effectiveness of internal control over financial reporting as of December 31, 2015, which reports are incorporated by reference in this Current Report on Form 8-K/A of LinnCo, LLC, dated September 15, 2016.

Our report dated March 15, 2016 contains an explanatory paragraph that states because of continued low commodity prices, the Company has suffered recurring losses from operations and is in violation of a restrictive covenant and expects to be in violation of financial covenants contained in its credit facilities that would accelerate the maturity of the outstanding indebtedness making it immediately due and payable. The Company does not have sufficient liquidity to meet the accelerated debt requirements. These issues raise substantial doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of that uncertainty.

/s/ KPMG LLP
Houston, Texas
September 15, 2016

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

The unaudited pro forma condensed combined balance sheet gives effect to the offer to exchange each outstanding unit of Linn Energy, LLC (“LINN Energy”) for one LinnCo, LLC (“LinnCo”) share (the “Exchange Offer”) as if the Exchange Offer had been completed as of June 30, 2016. The unaudited pro forma condensed combined statements of operations give effect to the Exchange Offer as if the Exchange Offer had been completed as of January 1, 2015.

The pro forma financial information does not give effect to the costs of any integration activities or benefits that may result from the realization of future cost savings from operating efficiencies, or any other synergies that may result from the transactions and changes in commodity and share prices.

The unaudited pro forma condensed combined financial information has been prepared for informational purposes only and does not purport to represent what the actual financial position or results of operations of LinnCo would have been had the Exchange Offer been completed as of the dates assumed, nor is this information necessarily indicative of future financial position or results of operations. The unaudited pro forma condensed combined balance sheet and statements of operations should be read in conjunction with LinnCo’s and LINN Energy’s historical financial statements and the notes thereto included in their respective Quarterly Reports on Form 10-Q for the quarter ended June 30, 2016, and Annual Reports on Form 10-K for the year ended December 31, 2015.

LINNCO, LLC (DEBTOR-IN-POSSESSION)
UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET
June 30, 2016

	LinnCo Historical	Pro Forma Adjustments	LinnCo Pro Forma
	(in thousands)		
ASSETS			
Current assets:			
Cash	\$ 847	\$ —	\$ 847
Accounts receivable – related party	200	—	200
Income taxes receivable	6,096	—	6,096
Total current assets	7,143	—	7,143
Noncurrent assets:			
Investment in Linn Energy, LLC	10,407	492 (a)	10,899
Total noncurrent assets	10,407	492	10,899
Total assets	\$ 17,550	\$ 492	\$ 18,042
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Accounts payable	\$ 200	\$ —	\$ 200
Income taxes payable	13,000	—	13,000
Total current liabilities	13,200	—	13,200
Shareholders' equity:			
Voting shares	1	—	1
Common shares	3,911,333	492 (a)	3,911,825
Additional paid-in capital	46,934	—	46,934
Accumulated deficit	(3,953,918)	—	(3,953,918)
	4,350	492	4,842
Total liabilities and shareholders' equity	\$ 17,550	\$ 492	\$ 18,042

The accompanying notes are an integral part of these pro forma condensed combined financial statements.

LINNCO, LLC (DEBTOR-IN-POSSESSION)
UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
Six Months Ended June 30, 2016

	LinnCo Historical	Pro Forma Adjustments	LinnCo Pro Forma
	(in thousands, except per share amounts)		
Equity loss from investment in Linn Energy, LLC	\$ (34,625)	\$ 34,625 <i>(b)</i>	\$ —
General and administrative expenses	(2,076)	—	(2,076)
Reorganization items	(200)	—	(200)
Loss before income taxes	(36,901)	34,625	(2,276)
Income tax expense	(12,977)	— <i>(c)</i>	(12,977)
Net loss	\$ (49,878)	\$ 34,625	\$ (15,253)
Net loss per share, basic and diluted	\$ (0.30)		\$ (0.06)
Weighted average shares outstanding	168,975	82,670 <i>(d)</i>	251,645

The accompanying notes are an integral part of these pro forma condensed combined financial statements.

LINCO, LLC (DEBTOR-IN-POSSESSION)
UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
Year Ended December 31, 2015

	LinnCo Historical	Pro Forma Adjustments	LinnCo Pro Forma
	(in thousands, except per share amounts)		
Equity loss from investment in Linn Energy, LLC	\$ (1,181,604)	\$ (45,524) <i>(b)</i>	\$ (1,227,128)
General and administrative expenses	(3,445)	—	(3,445)
Loss before income taxes	(1,185,049)	(45,524)	(1,230,573)
Income tax benefit	10,623	— <i>(c)</i>	10,623
Net loss	\$ (1,174,426)	\$ (45,524)	\$ (1,219,950)
Net loss per share, basic and diluted	\$ (9.14)		\$ (4.85)
Weighted average shares outstanding	128,544	123,101 <i>(d)</i>	251,645

The accompanying notes are an integral part of these pro forma condensed combined financial statements.

LINNCO, LLC (DEBTOR-IN-POSSESSION)

NOTES TO THE UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

Note 1 – Basis of Presentation

The unaudited pro forma condensed combined financial statements are derived from the historical financial statements of LinnCo.

The unaudited pro forma condensed combined balance sheet gives effect to the Exchange Offer as if the Exchange Offer had been completed as of June 30, 2016. The unaudited pro forma condensed combined statements of operations give effect to the Exchange Offer as if the Exchange Offer had been completed as of January 1, 2015. The transactions and the related adjustments are described in the accompanying notes. In the opinion of LinnCo's management, all adjustments have been made that are necessary to present fairly, in accordance with Regulation S-X, the pro forma condensed combined financial statements.

The unaudited pro forma condensed combined financial information has been prepared for informational purposes only and does not purport to represent what the actual financial position or results of operations of LinnCo would have been had the Exchange Offer been completed as of the dates assumed, nor is this information necessarily indicative of future financial position or results of operations. In addition, future results may vary significantly from those reflected in such statements due to factors described in "Risk Factors" included in LinnCo's Quarterly Report on Form 10-Q for the quarter ended June 30, 2016, Annual Report on Form 10-K for the year ended December 31, 2015, and elsewhere in LinnCo's reports and filings with the SEC.

The unaudited pro forma condensed combined balance sheet and statements of operations should be read in conjunction with LinnCo's and LINN Energy's historical financial statements and the notes thereto included in their respective Quarterly Reports on Form 10-Q for the quarter ended June 30, 2016, and Annual Reports on Form 10-K for the year ended December 31, 2015.

Both LinnCo and LINN Energy present their financial statements in accordance with U.S. generally accepted accounting principles. As of June 30, 2016, LinnCo owned approximately 69% of LINN Energy's outstanding units and accounted for its investment in LINN Energy under the equity method, as it has the ability to exercise significant influence over, but does not control, LINN Energy.

Note 2 – Exchange Dates

In March 2016, the Company filed a Registration Statement on Form S-4 related to an offer to exchange each outstanding unit representing limited liability company interests of LINN Energy for one common share representing limited liability company interests of LinnCo. The initial offer expired on April 25, 2016, and on April 26, 2016, the Company commenced a subsequent offering period that expired on August 1, 2016. As of June 30, 2016, 115,702,524 LINN Energy units had been exchanged for an equal number of LinnCo shares. During the period from July 1, 2016 through August 1, 2016, 7,398,191 LINN Energy units were exchanged for an equal number of LinnCo shares.

Note 3 – Pro Forma Adjustments

- (a) Reflects the impact of the Exchange Offer. The pro forma condensed combined balance sheet presents the exchanges assuming 7,398,191 additional LINN Energy's units were exchanged for an equal number of LinnCo shares on June 30, 2016. The LinnCo shares issued in the Exchange Offer during the period from July 1, 2016 through August 1, 2016, were valued at approximately \$492,000. Upon the completion of the Exchange Offer, LinnCo's ownership of LINN Energy's outstanding units increased to approximately 71% and LinnCo continued to account for its investment in LINN Energy under the equity method.
- (b) Reflects the impact of the Exchange Offer. The LinnCo shares issued in the Exchange Offer were valued at approximately \$46 million. The pro forma condensed combined statements of operations give effect to the Exchange Offer as if it had been completed as of January 1, 2015; therefore, LinnCo would have recognized additional equity losses of approximately \$46 million, the maximum allowed to reduce its investment in LINN Energy to zero, for the year

LINNCO, LLC (DEBTOR-IN-POSSESSION)

**NOTES TO THE UNAUDITED PRO FORMA CONDENSED
COMBINED FINANCIAL STATEMENTS - Continued**

ended December 31, 2015. LinnCo would have recognized no equity losses for the six months ended June 30, 2016, as LinnCo temporarily discontinues applying the equity method if LinnCo's share of LINN Energy's losses reduces its investment in LINN Energy to zero, as it had at December 31, 2015.

- (c)* There is no impact on the income taxes recognized for the six months ended June 30, 2016, or the year ended December 31, 2015, since the deferred tax assets associated with LinnCo's investment in LINN Energy are not expected to be realized and are completely offset by a valuation allowance.
- (d)* Reflects the Exchange Offer as if it had been completed as of January 1, 2015.