

GLOBAL PARTNERS LP
Form 8-K
August 07, 2018

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): **August 7, 2018**

GLOBAL PARTNERS LP

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-32593
(Commission
File Number)

74-3140887
(IRS Employer
Identification No.)

P.O. Box 9161
800 South Street
Waltham, Massachusetts 02454-9161
(Address of Principal Executive Offices)

(781) 894-8800
(Registrant's telephone number, including area code)

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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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 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(a) of the Exchange Act. ☐

Item 3.03 Material Modification to Rights of Security Holders.

The information set forth under Item 5.03 is incorporated herein by reference into this Item 3.03.

Item 5.03 Amendments to Articles of Incorporation or Bylaws; Changes in Fiscal Year

On August 7, 2018, Global Partners LP, a Delaware limited partnership (the "Partnership"), issued 2,760,000 of its 9.75% Series A Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Units representing limited partner interests in the Partnership (the "Series A Preferred Units"), at a price to the public of \$25.00 per Series A Preferred Unit, pursuant to the previously filed Underwriting Agreement, dated as of July 31, 2018, by and between the Partnership, Global Operating LLC, Global GP LLC (the "General Partner") and Stifel, Nicolaus & Company, Incorporated, Morgan Stanley & Co. LLC and UBS Securities LLC, as representatives of the several underwriters named therein.

In connection with the closing of the offering of the Series A Preferred Units on August 7, 2018, the General Partner executed the Fourth Amended and Restated Agreement of Limited Partnership of the Partnership (the "Amended and Restated Partnership Agreement") for the purpose of creating and defining the preferences, rights, powers and terms of the Series A Preferred Units. The amendments effected by the Amended and Restated Partnership Agreement provide for the issuance of the Series A Preferred Units, in summary, with the features described below and to revise certain provisions that are no longer applicable to the Partnership.

The Series A Preferred Units rank (a) senior to common units representing limited partner interests in the Partnership (the "Common Units"), incentive distribution rights and to each other class or series of limited partner interests or other equity securities of the Partnership established after the original issue date of the Series A Preferred Units (the "Original Issue Date") that is not expressly made senior to or on parity with the Series A Preferred Units as to the payment of distributions and amounts payable upon a liquidation event (individually and collectively, the "Junior Securities"), (b) on parity with respect to distributions or amounts payable upon a liquidation event, as applicable, with each other and any class or series of limited partner interests or other equity securities of the Partnership established after the Original Issue Date with terms expressly providing that such class or series ranks on parity with the Series A Preferred Units as to the payment of distributions or amounts payable upon a liquidation event (individually and collectively, but excluding Senior Securities (as defined below), the "Parity Securities") and (c) junior with respect to distributions or amounts payable upon a liquidation event, as applicable, to any class or series of limited partner interests or equity securities of the Partnership established after the Original Issue Date with terms expressly made senior to the Series A Preferred Units as to the payment of distributions or amounts payable upon a liquidation event (individually and collectively, the "Senior Securities") and to all existing and future indebtedness and other liabilities with respect to assets available to satisfy claims against the Partnership.

Distributions on the Series A Preferred Units will be cumulative from the Original Issue Date and will be payable quarterly in arrears on February 15, May 15, August 15 and November 15 of each year, commencing on November 15, 2018 (each, a "Distribution Payment Date"), to holders of record as of the opening of business on the February 1, May 1, August 1 or November 1 next preceding the Distribution Payment Date, in each case, when, as, and if declared by the General Partner out of legally available funds for such purpose. A pro-rated initial distribution on the Series A Preferred Units will be payable on November 15, 2018 in an amount equal to \$0.6635 per Series A Preferred Unit.

The initial distribution rate for the Series A Preferred Units from and including the Original Issue Date, but excluding, August 15, 2023 will be 9.75% per annum of the \$25.00 liquidation preference per Series A Preferred Unit (equal to \$2.4375 per Series A Preferred Unit per annum). On and after August 15, 2023, distributions on the Series A Preferred Units will accumulate for each distribution period at a percentage of the

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\$25.00 liquidation preference equal to an annual floating rate of the three-month LIBOR plus a spread of 6.774% per annum.

The Partnership will not declare or pay or set aside for payment any distributions on any Junior Securities (other than a distribution payable solely in Junior Securities) unless full cumulative distributions have been or contemporaneously are being paid or provided for on all outstanding Series A Preferred Units and any Parity Securities through the most recent respective distribution periods.

At any time on or after August 15, 2023, the Partnership may redeem, in whole or in part, the Series A Preferred Units at a redemption price in cash of \$25.00 per Series A Preferred Unit plus an amount equal to all accumulated and unpaid distributions thereon to, but excluding, the date of redemption, whether or not declared. The Partnership must provide not less than 30 days and not more than 60 days advance written notice of any such redemption.

Upon the occurrence of a Series A Change of Control (as defined in the Amended and Restated Partnership Agreement), the Partnership may, at its option, redeem the Series A Preferred Units, in whole or in part, within 120 days after the first date on which such Series A Change of Control occurred, by paying \$25.00 per Series A Preferred Unit, plus all accumulated and unpaid distributions to, but excluding, the date of redemption, whether or not declared. If, prior to the Series A Change of Control Conversion Date (as defined in the Amended and Restated Partnership Agreement), the Partnership exercises its redemption rights relating to Series A Preferred Units, holders of the Series A Preferred Units that the Partnership has elected to redeem will not have the conversion right discussed below related to a Series A Change of Control.

Upon the occurrence of a Series A Change of Control, each holder of Series A Preferred Units will have the right (unless, prior to the Series A Change of Control Conversion Date, the Partnership provides notice of its election to redeem the Series A Preferred Units) to convert some or all of the Series A Preferred Units held by such holder on the Series A Change of Control Conversion Date into a number of Common Units per Series A Preferred Unit to be converted equal to the lesser of (a) the quotient obtained by dividing (i) the sum of the \$25.00 liquidation preference plus the amount of any accumulated and unpaid distributions to, but excluding, the Series A Change of Control Conversion Date (unless the Series A Change of Control Conversion Date is after a record date for a Series A Preferred Unit distribution payment and prior to the corresponding Distribution Payment Date, in which case no additional amount for such accumulated and unpaid distribution will be included in this sum) by (ii) the Common Unit Price (as defined in the Amended and Restated Partnership Agreement) and (b) 2.7100, subject, in each case, to certain exceptions and adjustments.

Any such redemptions would be effected only out of funds legally available for such purposes and would be subject to compliance with the provisions of the Partnership's outstanding indebtedness.

Holders of Series A Preferred Units generally have no voting rights, except for limited voting rights with respect to (i) potential amendments to the Amended and Restated Partnership Agreement that would have a material adverse effect on the terms of the Series A Preferred Units, (ii) the creation or issuance of any Parity Securities (including any additional Series A Preferred Units) if the cumulative distributions payable on then outstanding Series A Preferred Units (or Parity Securities, if applicable) are in arrears, (iii) the creation or issuance of any Senior Securities and (iv) the declaration or payment of any distribution to the holders of Common Units out of capital surplus.

The foregoing description of the Amended and Restated Partnership Agreement is qualified in its entirety by reference to the full text of the Amended and Restated Partnership Agreement, which is attached as Exhibit 3.1 to this Current Report on Form 8-K and incorporated by reference into this Item 5.03.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

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Exhibit Number	Description
3.1	<u>Fourth Amended and Restated Agreement of Limited Partnership of Global Partners LP, dated as of August 7, 2018.</u>
5.1	<u>Opinion of Vinson & Elkins L.L.P. as to the legality of the offered Series A Preferred Units.</u>
8.1	<u>Opinion of Vinson & Elkins L.L.P. regarding tax matters.</u>
23.1	Consent of Vinson & Elkins L.L.P. (included in its opinions filed as <u>Exhibit 5.1</u> and <u>Exhibit 8.1</u>).

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 thereunto duly authorized.

GLOBAL PARTNERS LP

By: GLOBAL GP LLC
its General Partner

Dated: August 7, 2018

By: /s/ Edward J. Faneuil
Edward J. Faneuil
Executive Vice President,
General Counsel and Secretary