

MAGELLAN MIDSTREAM PARTNERS LP
Form 8-K
December 05, 2008

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)

December 5, 2008 (December 3, 2008)

MAGELLAN MIDSTREAM PARTNERS, L.P.

(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

1-16335
(Commission File Number)

79-1599053
(I.R.S. Employer Identification No.)

P.O. Box 22186

Tulsa, Oklahoma 74121-2186

(Address of principal executive office)

(Registrant's telephone number, including area code): **(918) 574-7000**

N/A

(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:

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- .. 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 1.01 Entry Into a Material Definitive Agreement
Unit Purchase Rights Agreement

On December 4, 2008, Magellan Midstream Partners, L.P., a Delaware limited partnership (the Partnership), entered into a Unit Purchase Rights Agreement, dated as of December 4, 2008 (as the same may be amended from time to time, the Rights Agreement), between the Partnership and Computershare Trust Company, N.A., as Rights Agent (the Rights Agent). On December 3, 2008, the Board of Directors (the Board of Directors) of Magellan GP, LLC, a Delaware limited liability company and the general partner of the Partnership (the General Partner), declared an issuance and distribution of one unit purchase right (a Right) for each outstanding common unit representing a limited partner interest in the Partnership (each, a Common Unit). The issuance and distribution will occur on December 10, 2008 (the Record Date) to holder of record of Common Units on that date. Each Right entitles the registered holder to purchase from the Partnership one Common Unit at a price of \$145.00 (as the same may be adjusted, the Purchase Price). The description and terms of the Rights are set forth in the Rights Agreement.

Until the earlier to occur of (i) the tenth (10th) day following a public announcement that (A) a person has acquired beneficial ownership of 15% or more of the outstanding Common Units, or (B) if any person currently owns 15% or more of the outstanding Common Units, at such time as such person thereafter becomes the beneficial owner of any additional Common Units, unless such person became the beneficial owner of such additional Common Units as a result of certain transactions effected by the Partnership (in either case, an Acquiring Person), or (ii) the tenth (10th) business day (subject to extension) after a person commences, or announces its intention to commence, a tender offer or exchange offer the successful consummation of which would result in any person becoming the beneficial owner of the number of units necessary to be an Acquiring Person (the earlier of such dates being called the Distribution Date), the Rights will be evidenced, with respect to any of the Common Unit certificates or uncertificated book entries for the Common Units outstanding as of the Record Date, by such Common Unit certificates with a copy of this Summary of Rights attached thereto or such book entries. The Rights Agreement provides that, until the Distribution Date, the Rights will be transferred with and only with the Common Units. Until the Distribution Date (or earlier redemption or expiration of the Rights), new Common Unit certificates issued after the Record Date, upon transfer or new issuance of Common Units will contain a notation incorporating the Rights Agreement by reference. Until the Distribution Date (or earlier redemption or expiration of the Rights), the surrender for transfer of any certificates for Common Units, outstanding as of the Record Date, even without such notation or a copy of this Summary of Rights being attached thereto, or the transfer of any Common Unit outstanding on the Record Date represented by a book entry, will also constitute the transfer of the Rights associated with the Common Units represented by such certificate or book entry.

As soon as practicable following the Distribution Date, separate certificates evidencing the Rights (Right Certificates) will be mailed to holders of record of the Common Units as of the close of business on the Distribution Date and such separate Right Certificates alone will evidence the Rights.

The Rights are not exercisable until the Distribution Date. The Rights will expire on December 3, 2011 (the Final Expiration Date), unless the Final Expiration Date is extended or unless the Rights are earlier redeemed by the Partnership, in each case, as described below.

The Purchase Price payable, and the number of Common Units or other securities or property issuable, upon exercise of the Rights are subject to adjustment from time to time to prevent dilution (i) in the event of a unit distribution on, or a subdivision, combination or reclassification of, the Common Units, (ii) upon the grant to holders of the Common Units of certain rights or warrants to subscribe for or purchase Common Units at a price, or securities convertible into Common Units with a conversion price, less than the then current market price of the Common Units or (iii) upon the distribution to holders of the Common Units of evidences of indebtedness or assets (excluding regular periodic cash distributions paid out of earnings or retained earnings or distributions payable in Common Units) or of subscription rights or warrants (other than those referred to above).

If, after a person or a group has become an Acquiring Person, the Partnership is acquired in a merger or other business combination transaction or 50% or more of its consolidated assets or earning power are sold or transferred (subject to certain exceptions) (such merger, business combination, sale or transfer a Flip-over Event), proper provision will be made so that each holder of a Right, other than Rights beneficially owned by the Acquiring Person, will thereafter have the right to receive, upon the exercise thereof at the then current exercise price of the Right, the

number of common units or equivalent securities of the acquiring company equal to the product of (x) the number of Common Units for which a Right was exercisable immediately prior to the Flip-over Event and (y) that number of common units or equivalent securities of the acquiring company which at the time of such transaction will have a market value of two times the exercise price of the Right. If any person becomes an Acquiring Person, proper provision shall be made so that each holder of a Right, other than Rights beneficially owned by the Acquiring Person (which will thereafter be void), will thereafter have the right to receive upon exercise that number of Common Units or equivalent securities having a market value of two times the exercise price of the Right.

At any time after a person or group has become an Acquiring Person and prior to the acquisition by such person or group of 50% or more of the outstanding Common Units, the general partner of the Partnership may exchange the Rights (other than Rights owned by such person or group which have become void), in whole or in part, at an exchange ratio of one Common Unit for each two Common Units for which each Right is then exercisable pursuant to the provisions of the Rights Agreement (subject to adjustment).

With certain exceptions, no adjustment in the Purchase Price will be required until cumulative adjustments require an adjustment of at least 1% of such Purchase Price. No fractional Common Units will be issued and in lieu thereof, an adjustment in cash will be made based on the market price of the Common Units on the last trading day prior to the date of exercise.

At any time prior to the earlier of (i) the tenth (10th) day following the public announcement by the Partnership or an Acquiring Person that an Acquiring Person has become such, or such earlier date as the General Partner shall become aware of the existence of an Acquiring Party, or (ii) the Final Expiration Date, the Partnership, with the approval of its general partner, may redeem the Rights in whole, but not in part, at a price of \$0.001 per Right (the Redemption Price). The redemption of the Rights may be made effective at such time on such basis and with such conditions as the general partner in its sole discretion may establish. Immediately upon any redemption of the Rights, the right to exercise the Rights will terminate and the only right of the holders of Rights will be to receive the Redemption Price.

As long as the Rights are redeemable, the terms of the Rights may be amended by the Partnership without the consent of the holders of the Rights. From and after such time as the Rights are no longer redeemable, no such amendment by the Partnership may materially adversely affect the interests of the holders of the Rights (excluding the interest of any Acquiring Person) or cause the Rights again to become redeemable. Notwithstanding the immediately preceding sentence, from and after such time as the Rights are no longer redeemable, the Partnership may amend the Rights in a manner that adversely affects the Rights to the extent necessary to prevent the IDR Rights and GP Rights (each as defined in the Rights Agreement) from being adversely affected. In no circumstances shall the Redemption Price be amended.

Until a Right is exercised, the holder thereof, as such, will have no rights as a unitholder of the Partnership, including the right to vote or to receive distributions.

The Rights Agreement additionally provides for the issuance of certain rights to the General Partner and to the holder of the Incentive Distribution Rights. The purpose and intent of these rights is to provide that the General Partner and the holder of the Incentive Distribution Rights will be neither unfairly benefitted nor adversely effected on any exercise or exchange of the Rights.

The description of the Rights Agreement does not purport to be complete and is qualified in its entirety by reference to the complete text of such agreement, a copy of which is filed as Exhibit 4.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Amendment No. 2 to the Second Amended and Restated Limited Liability Company Agreement of the General Partner

On December 3, 2008, Magellan Midstream Holdings, L.P., a Delaware limited partnership (MGG), entered into Amendment No. 2 (the Limited Liability Company Agreement Amendment) to the Second Amended and Restated Limited Liability Company Agreement of the General Partner, dated as of October 20, 2005, as amended by Amendment No. 1 to the Second Amended and Restated Limited Liability Company Agreement of the General Partner, dated as of July 31, 2007. Pursuant to the Limited Liability Company Agreement Amendment, the

definition of what constitutes a quorum at a meeting was clarified and MGG was granted the authority to make decisions for the General Partner with respect to certain provisions of the Rights Agreement.

The description of the Limited Liability Company Agreement Amendment does not purport to be complete and is qualified in its entirety by reference to the complete text of such agreement, a copy of which is filed as Exhibit 3.1 to this Current Report on Form 8-K and is incorporated herein by reference.

ITEM 3.03 Material Modification to Rights of Security Holders

The Partnership entered into the Rights Agreement effective December 4, 2008. The description of the Rights Agreement is incorporated by reference from Item 1.01 of this Current Report on Form 8-K.

ITEM 5.02 Departure of Directors of Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

Effective December 3, 2008, Thomas T. Macejko, Jr. and Thomas S. Souleles resigned from the Board of Directors.

ITEM 5.03 Amendment to Articles of Incorporation or Bylaws

Unit Purchase Rights Agreement

To the extent that the Rights Agreement is inconsistent with the terms and provisions of the Fourth Amended and Restated Agreement of Limited Partnership of the Partnership (as amended, the Partnership Agreement), then upon the authority granted to the General Partner under the Partnership Agreement, the Rights Agreement amends the Partnership Agreement to the extent of such inconsistency to allow for the transactions contemplated by the Rights Agreement to be consummated. The description of the Rights Agreement is incorporated herein by reference from Item 1.01 of this Current Report on Form 8-K.

A copy of the Rights Agreement is filed as Exhibit 4.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Amendment No. 2 to the Second Amended and Restated Limited Liability Company Agreement of the General Partner

MGG, as sole member of the General Partner, entered into the Limited Liability Company Agreement Amendment, effective December 1, 2008. The description of the Limited Liability Company Agreement Amendment is incorporated herein by reference from Item 1.01 of this Current Report on Form 8-K.

A copy of the Limited Liability Company Agreement Amendment is filed as Exhibit 3.1 to this Current Report on Form 8-K and is incorporated herein by reference.

ITEM 7.01 Regulation FD Disclosure

On December 3, 2008, the Partnership announced that it entered into the Rights Agreement. A copy of the press release is furnished as Exhibit 99.1 hereto and is incorporated herein by reference.

In accordance with General Instruction B.2 of Form 8-K, the press release shall not be deemed filed for the purposes of Section 18 of the Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall such information and exhibit be deemed incorporated by reference into any filing under the Securities Act or the Securities Exchange Act of 1934, as amended, except as shall be expressly set forth by specific reference in such a filing.

ITEM 9.01. Financial Statements and Exhibits

(d) Exhibits.

Exhibit No.	Description
3.1	Amendment No. 2 to the Second Amended and Restated Limited Liability Company Agreement of Magellan GP, LLC.
4.1	Unit Purchase Rights Agreement, dated as of December [__], 2008, between Magellan Midstream Partners, L.P. and Computershare Trust Company, N.A., as Rights Agent, which includes the Form of Rights Certificates as Exhibit A and the Summary of Rights to Purchase Common Units as Exhibit B (filed as Exhibit 4.1 to Form 8-A filed on December 5, 2008).
99.1	Magellan Midstream Partners, L.P. Press Release dated December 3, 2008.

SIGNATURE

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

MAGELLAN MIDSTREAM PARTNERS, L.P.

By: Magellan GP, LLC,
its General Partner

Date: December 5, 2008

By: /s/ Lonny E. Townsend
Name: Lonny E. Townsend
Title: Senior Vice President, General Counsel and
Assistant Corporate Secretary

EXHIBIT INDEX

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99.1	Magellan Midstream Partners, L.P. Press Release dated December 3, 2008.