

ALLIANCE RESOURCE PARTNERS LP
Form SC 13D/A
June 11, 2018

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549**

SCHEDULE 13D/A

**Under the Securities Exchange Act of 1934
(Amendment No. 3)**

ALLIANCE RESOURCE PARTNERS, L.P.

(Name of Issuer)

Common Units

(Title of Class of Securities)

01877R108

(CUSIP Number)

1717 South Boulder Avenue, Suite 400

Tulsa, Oklahoma 74119

(918) 295-7600

with a copy to:

R. Eberley Davis

Senior Vice President, General Counsel and Secretary

Alliance Resource Management GP, LLC

1717 South Boulder Avenue, Suite 400

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Tulsa, Oklahoma 74119

(918) 295-7600

(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

May 31, 2018

(Date of Event Which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), 13d-1(f) or 13d-1 (g), check the following box.

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 13d-7(b) for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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- 1 Name of Reporting Persons
S.S. or I.R.S. Identification Nos. of Above Persons
Alliance Holdings GP, L.P.
- 2 Check the Appropriate Box if a Member of a Group
(a):
(b):
- 3 SEC Use Only
- 4 Source of Funds*
AF
- 5 Check box if Disclosure of Legal Proceedings Is Required Pursuant to Item 2(d) or 2(e)
- 6 Citizenship or Place of Organization
Delaware
- | | | |
|---|----|-------------------------------|
| Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With | 7 | Sole Voting Power
0 |
| | 8 | Shared Voting Power
0 |
| | 9 | Sole Dispositive Power
0 |
| | 10 | Shared Dispositive Power
0 |
- 11 Aggregate Amount Beneficially Owned by Each Reporting Person
0
- 12 Check box if the Aggregate Amount in Row (11) Excludes Certain Shares
- 13 Percent of Class Represented by Amount in Row (11)
0%
- 14 Type of Reporting Person
HC, PN

- 1 Name of Reporting Persons
S.S. or I.R.S. Identification Nos. of Above Persons
MGP II, LLC
- 2 Check the Appropriate Box if a Member of a Group
(a):
(b):
- 3 SEC Use Only
- 4 Source of Funds*
AF
- 5 Check box if Disclosure of Legal Proceedings Is Required Pursuant to Item 2(d) or 2(e)
- 6 Citizenship or Place of Organization
Delaware
- | | | |
|---|----|-------------------------------|
| Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With | 7 | Sole Voting Power
0 |
| | 8 | Shared Voting Power
0 |
| | 9 | Sole Dispositive Power
0 |
| | 10 | Shared Dispositive Power
0 |
- 11 Aggregate Amount Beneficially Owned by Each Reporting Person
0
- 12 Check if the Aggregate Amount in Row (11) Excludes Certain Shares*
- 13 Percent of Class Represented by Amount in Row 11
0%
- 14 Type of Reporting Person
HC, OO

This Amendment No. 3 to Schedule 13D (this Amendment) is being filed by each of Alliance Holdings GP, L.P. (AHGP) and MGP II, LLC (MGP II) and together with AHGP, the Reporting Persons), to amend the Schedule 13D filed on May 24, 2006, as amended and supplemented by Amendment No. 1 filed on August 8, 2017 and Amendment No. 2 filed on March 15, 2018 (collectively, the Prior Schedule 13D). The Prior Schedule 13D shall not be modified except as specifically provided herein. Unless otherwise indicated, all capitalized terms used herein but not defined herein shall have the same meanings ascribed to them in the Prior Schedule 13D.

Item 2. Identity and Background.

Schedule I is hereby amended and restated in its entirety as attached hereto.

Item 3. Source and Amount of Funds of Other Consideration.

Item 3 of the Prior Schedule 13D is hereby amended and supplemented by adding the following:

The information provided or incorporated by reference in Item 4 below is hereby incorporated by reference into this Item 3.

Item 4. Purpose of Transaction.

Item 4 of the Prior Schedule 13D is hereby amended and supplemented as follows:

On May 31, 2018, Alliance Resource Partners, L.P., a Delaware limited partnership (ARLP), and AHGP, completed the transactions contemplated by that certain Simplification Agreement dated as of February 22, 2018 (the Simplification Agreement), by and among AHGP, Alliance GP, LLC, a Delaware limited liability company and the general partner of AHGP (AGP), certain subsidiaries of AHGP and AGP, ARLP, Alliance Resource Management GP, LLC, a Delaware limited liability company and the general partner of ARLP (MGP), and Alliance Resource GP, LLC, a Delaware limited liability company (SGP). Pursuant to the Simplification Agreement, among other things, through a series of transactions, (i) AHGP became a wholly owned subsidiary of ARLP, (ii) New AHGP GP, LLC, a Delaware limited liability company and wholly owned subsidiary of AHGP (New AHGP GP), became a wholly owned subsidiary of ARLP and the new general partner of AHGP, and (iii) MGP became a wholly owned subsidiary of AGP and continues to be the general partner of ARLP. The Simplification Agreement and the transactions contemplated thereby (the Simplification Transactions), including the Merger (as defined below), were approved by written consent by holders of approximately 68% of the AHGP common units outstanding as of April 25, 2018, the record date for the consent solicitation.

The Simplification Transactions were effected in part through a merger, whereby Wildcat GP Merger Sub, LLC, a Delaware limited liability company and wholly owned subsidiary of AGP (Merger Sub), merged with and into AHGP, with AHGP surviving and continuing to exist as a Delaware limited partnership (the Merger). By virtue of the Merger, each AHGP common unit that was issued and outstanding immediately prior to the effective time of the Merger (the Effective Time), other than the AHGP common units held by SGP, was canceled and converted into the right to receive approximately 1.4782 ARLP common units held by the Reporting Persons immediately prior to the Effective Time (the

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Exchange Units), and the AHGP common units held by SGP immediately prior to the Effective Time were canceled and converted into the right to receive 29,188,997 Exchange Units, which equals (i) the product of the number of AHGP common units held by SGP immediately prior to the Effective Time multiplied by 1.4782, minus (ii) 1,322,388 ARLP common units to be issued to SGP pursuant to the transactions immediately following the Merger (as described below). As part of the Merger, all of the limited liability company interests in Merger Sub outstanding immediately prior to the Effective Time were converted into and became limited partner interests in AHGP and were held momentarily by SGP. All AHGP deferred phantom units that were outstanding immediately prior to the Effective Time were paid in full and deemed to have been converted into AHGP common units and had a right to receive a portion of the Exchange Units on the same economically equivalent basis as the other AHGP unitholders (other than SGP) as described above.

Immediately following the closing of the Merger, (i) SGP contributed all of the limited partner interests in AHGP to ARLP in exchange for 1,322,388 ARLP common units, and ARLP was admitted as the sole limited partner of AHGP, and (ii) AGP contributed all of the limited liability company interests of New AHGP GP, which became the new general partner of AHGP, to ARLP, and ARLP was admitted as the sole member of New AHGP

GP. The number of ARLP common units issued to SGP upon the closing of the Simplification Transactions was calculated pursuant to the Simplification Agreement on an economically equivalent basis in exchange for a 1.0001% general partner interest in Alliance Resource Operating Partners, L.P., a Delaware limited partnership (AROP), and a 0.001% managing membership interest in Alliance Coal, LLC, a Delaware limited liability company (Alliance Coal), in each case in connection with ARLP's last quarterly distribution of available cash prior to the closing of the Simplification Transactions.

At the Effective Time, the Certificate of Limited Partnership of AHGP remained unchanged and became the certificate of limited partnership of the surviving entity of the Merger and the Amended and Restated Agreement of Limited Partnership of AHGP, as amended by Amendment No. 1 thereto as of the Effective Time, was amended and restated to reflect, among other items, the admission of AGP as the sole general partner and SGP as the sole limited partner of AHGP (as amended and restated, the Second Amended and Restated AHGP Partnership Agreement). Immediately following the Effective Time and as contemplated by the Simplification Agreement, the Second Amended and Restated AHGP Partnership Agreement was amended and restated to reflect, among other items, the admission of New AHGP GP as the general partner of AHGP and the admission of ARLP as the sole limited partner of AHGP (as amended and restated, the Third Amended and Restated AHGP Partnership Agreement). The foregoing description of the Second Amended and Restated AHGP Partnership Agreement and the Third Amended and Restated AHGP Partnership Agreement does not purport to be complete and is qualified in its entirety by reference to the complete text of such agreements, copies of which are filed as Exhibits I and J to this Amendment and are incorporated herein by reference.

In connection with the consummation of the Simplification Transactions and as contemplated by the Simplification Agreement, (i) the Amended and Restated Agreement of Limited Partnership of AROP was amended to reflect, among other items, the admission of MGP II as the managing general partner of AROP (as amended, the Amended AROP Partnership Agreement), (ii) the Amended and Restated Operating Agreement of Alliance Coal was amended to reflect, among other items, the admission of MGP II as the managing member of Alliance Coal (as amended, the Amended Alliance Coal Operating Agreement), (iii) the Second Amended and Restated Operating Agreement of MGP was amended to reflect, among other items, the admission of AGP as the sole member of MGP (as amended, the Amended MGP Operating Agreement), (iv) the Limited Liability Company Agreement of New AHGP GP was amended to reflect, among other items, the admission of ARLP as the sole member of New AHGP GP (as amended, the Amended New AHGP GP Agreement). The foregoing description of the Amended AROP Partnership Agreement, the Amended Alliance Coal Operating Agreement, the Amended MGP Operating Agreement and the Amended New AHGP GP Agreement does not purport to be complete and is qualified in its entirety by reference to the complete text of such agreements, copies of which are filed as Exhibits M, N, O and P to this Amendment and are incorporated herein by reference.

Upon the consummation of the Simplification Transactions, the NASDAQ filed a Form 25 with the Securities and Exchange Commission (the SEC) on May 31, 2018 to delist the AHGP common units from the NASDAQ and to deregister the AHGP common units under Section 12(b) of the Securities Exchange Act of 1934, as amended (the Exchange Act). AHGP common units were suspended from trading on the NASDAQ prior to the opening of trading on June 1, 2018.

On May 31, 2018, AHGP entered into a First Amendment to Contribution Agreement (the First Amendment), by and among ARLP, MGP, SGP, ARM GP Holdings, Inc., a Delaware corporation, MGP II and AHGP. The purpose of the First Amendment was to correct an error in the previous calculation of ARLP common units to be issued to SGP upon completion of the transactions contemplated by that certain Contribution Agreement dated July 28, 2017 (the Original Agreement), by and among the parties to the First Amendment. The number of ARLP common units issued to SGP pursuant to the Original Agreement was discovered to be insufficient to result in the contributions of certain assets by SGP and MGP, respectively, to ARLP pursuant to the Original Agreement being on a proportionate economic basis. Pursuant to the Amendment, ARLP issued an additional 20,960 ARLP common units to SGP and paid SGP \$42,548.80 in cash, representing the aggregate per ARLP common unit distribution of \$2.03 that SGP would have received since the date of the Original Agreement if the 20,960 ARLP common units had been issued to SGP on the date of the Original Agreement. For further details of the Original Agreement and the transactions contemplated thereby, please see AHGP's Current Report on Form 8-K filed with the SEC on July 28, 2017. A copy of the First Amendment is attached hereto as Exhibit Q and is incorporated herein by reference.

To reflect the entry into the First Amendment, ARLP adopted an Amendment No. 2 to the Fourth Amended and Restated Agreement of Limited Partnership (as amended, the ARLP Partnership Agreement), a copy of which is attached hereto as Exhibit K and is incorporated herein by reference.

On June 1, 2018, ARLP adopted an Amendment No. 3 to the ARLP Partnership Agreement. The amendment makes certain changes to the ARLP Partnership Agreement to facilitate ARLP's use of its Available Cash (as defined in the ARLP Partnership Agreement) to repurchase the ARLP common units in accordance with its previously announced unit repurchase program as well as to make quarterly distributions to its unitholders. A copy of Amendment No. 3 to the ARLP Partnership Agreement is attached hereto as Exhibit L and is incorporated herein by reference.

Except as set forth in this Amendment, no Reporting Person has any present plan or proposal which would relate to or result in any of the matters set forth in subparagraphs (a) - (j) of Item 4 of Schedule 13D. The Reporting Persons reserve the right to increase or decrease their respective positions in ARLP through, among other things, the purchase or sale of securities of ARLP on the open market or in private transactions or otherwise, including the exercise of warrants or options, on such terms and at such times as the Reporting Persons may deem advisable. The Reporting Persons reserve the right to change their intention with respect to any and all matters referred to in this Item 4.

Item 5. Interest in Securities of the Issuer.

Item 5 of the Prior Schedule 13D is hereby amended and restated as follows:

(a) (b) The aggregate number and percentage of shares of ARLP common units beneficially owned by the Reporting Persons are as follows:

(1) AHGP

(a) Amount beneficially owned:

0 ARLP common units Percentage: 0%

(b) Number of ARLP common units to which the Reporting Person has:

(i) Sole power to vote or to direct the vote: 0

- (ii) Shared power to vote or to direct the vote: 0

- (iii) Sole power to dispose or to direct the disposition of: 0

- (iv) Shared power to dispose or to direct the disposition of: 0

(2) MGP II

- (a) Amount beneficially owned:

0 ARLP common units Percentage: 0%

- (b) Number of ARLP common units to which the Reporting Person has:

- (i) Sole power to vote or to direct the vote: 0

- (ii) Shared power to vote or to direct the vote: 0

- (v) Sole power to dispose or to direct the disposition of: 0

- (vi) Shared power to dispose or to direct the disposition of: 0

(c) Except as set forth in this Amendment, the Reporting Persons have not engaged in any transaction in ARLP common units during the past 60 days.

(d) (e) As part of the Simplification Transactions described in Item 4, all ARLP common units previously owned by the Reporting Persons were distributed to holders of AHGP common units on May 31, 2018. The Reporting Persons consequently no longer own any ARLP common units, and this Amendment constitutes an exit filing for the Reporting Persons.

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer.

Item 6 of the Prior Schedule 13D is hereby amended and supplemented as follows:

The information included or incorporated by reference in Item 4 is hereby incorporated by reference.

Item 7. Material to be Filed as Exhibits.

Item 7 of the Prior Schedule 13D is hereby amended and supplemented by adding the following:

- Exhibit I: Second Amended and Restated Agreement of Limited Partnership of Alliance Holdings GP, L.P., dated as of May 31, 2018 (incorporated by reference to Exhibit 3.1 of ARLP's Form 8-K filed with the SEC on June 6, 2018).
- Exhibit J: Third Amended and Restated Agreement of Limited Partnership of Alliance Holdings GP, L.P., dated as of May 31, 2018 (incorporated by reference to Exhibit 3.2 of ARLP's Form 8-K filed with the SEC on June 6, 2018).
- Exhibit K: Amendment No. 2 to Fourth Amended and Restated Agreement of Limited Partnership of Alliance Resource Partners, L.P., dated as of May 31, 2018 (incorporated by reference to Exhibit 3.3 of ARLP's Form 8-K filed with the SEC on June 6, 2018).
- Exhibit L: Amendment No. 3 to Fourth Amended and Restated Agreement of Limited Partnership of Alliance Resource Partners, L.P., dated as of June 1, 2018 (incorporated by reference to Exhibit 3.4 of ARLP's Form 8-K filed with the SEC on June 6, 2018).
- Exhibit M: Amendment No. 1 to Amended and Restated Agreement of Limited Partnership of Alliance Resource Operating Partners, L.P., dated as of May 31, 2018 (incorporated by reference to Exhibit 3.5 of ARLP's Form 8-K filed with the SEC on June 6, 2018).
- Exhibit N: Amendment No. 2 to Amended and Restated Operating Agreement of Alliance Coal, LLC, dated as of May 31, 2018 (incorporated by reference to Exhibit 3.6 of ARLP's Form 8-K filed with the SEC on June 6, 2018).
- Exhibit O: Third Amended and Restated Operating Agreement of Alliance Resource Management GP, LLC, dated as of May 31, 2018 (incorporated by reference to Exhibit 3.7 of ARLP's Form 8-K filed with the SEC on June 6, 2018).
- Exhibit P: Amended and Restated Limited Liability Company Agreement of New AHGP GP, LLC, dated as of May 31, 2018 (incorporated by reference to Exhibit 3.8 of ARLP's Form 8-K filed with the SEC on June 6, 2018).
- Exhibit Q: First Amendment to Contribution Agreement, dated as of May 31, 2018, by and among Alliance Resource Partners, L.P., Alliance Resource Management GP, LLC, Alliance Resource GP, LLC, ARM GP Holdings, Inc., MGP II, LLC and Alliance Holdings GP, L.P. (incorporated by reference to Exhibit 10.1 of ARLP's Form 8-K filed with the SEC on

June 6, 2018).

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, the undersigned certify that the information set forth in this statement is true, complete and correct.

Dated: June 11, 2018

ALLIANCE HOLDINGS GP, L.P.

By: /s/ Kenneth Hemm
Name: Kenneth Hemm
Title: Attorney-in-Fact

MGP II, LLC

By: /s/ Kenneth Hemm
Name: Kenneth Hemm
Title: Attorney-in-Fact

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1717 South Boulder Avenue, Suite 400, Tulsa, Oklahoma 74119

Principal Occupation: Senior Vice President, General Counsel and Secretary of Alliance Resource Management GP, LLC

Citizenship: USA

Amount beneficially owned: 90,493

Percentage: **

Number of units to which the Reporting Person has:

- (i) Sole power to vote or to direct the vote: 90,493
- (ii) Shared power to vote or to direct the vote: 0
- (iii) Sole power to dispose or to direct the disposition of: 90,493
- (iv) Shared power to dispose or to direct the disposition of: 0

* Based on a total of 132,246,604 ARLP common units issued and outstanding as of June 1, 2018.

** Less than 1%.

EXHIBIT INDEX

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- Exhibit K: Amendment No. 2 to Fourth Amended and Restated Agreement of Limited Partnership of Alliance Resource Partners, L.P., dated as of May 31, 2018 (incorporated by reference to Exhibit 3.3 of ARLP's Form 8-K filed with the SEC on June 6, 2018).
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