

GENESIS ENERGY LP  
Form 424B3  
October 15, 2012  
Table of Contents

Filed Pursuant to Rule 424(b)(3)

Registration No. 333-184001

PROSPECTUS

# Genesis Energy, L.P.

## Genesis Energy Finance Corporation

Offer to Exchange

up to

**\$100,000,000 of 7<sup>7</sup>/<sub>8</sub>% Senior Notes due 2018**

**that have been registered under the Securities Act of 1933**

for

**\$100,000,000 of 7<sup>7</sup>/<sub>8</sub>% Senior Notes due 2018**

**that have not been registered under the Securities Act of 1933**

Please read Risk Factors beginning on page 8 for a discussion of factors you should consider before participating in the exchange offer.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

Each broker-dealer that receives the notes for its own account pursuant to this exchange offer must acknowledge by way of the letter of transmittal that it will deliver a prospectus in connection with any resale of the notes. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of the notes received in exchange for outstanding notes where such outstanding notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. We have agreed to make this prospectus available for a period ending on the earlier of April 13, 2013 and the date on which a broker-dealer is no longer required to deliver a prospectus in connection with market-making or other trading activities. See Plan of Distribution.

This prospectus is part of a registration statement we filed with the Securities and Exchange Commission, or the Commission. In making your investment decision, you should rely only on the information contained in or incorporated by reference into this prospectus and in the letter of transmittal accompanying this prospectus. We have not authorized anyone to provide you with any other information. If you receive any unauthorized information, you must not rely on it. We are not making an offer to sell these securities in any state where the offer is not permitted. You should not assume that the information contained in this prospectus or in the documents incorporated by reference into this prospectus are accurate as of any date other than the date on the front cover of this prospectus or the date of such incorporated documents, as the case may be.

This prospectus incorporates by reference business and financial information about us that is not included in or delivered with this prospectus. This information is available without charge upon written or oral request directed to: Investor Relations, Genesis Energy, L.P., 919 Milam, Suite 2100, Houston, Texas 77002; telephone number (713) 860-2500. **To obtain timely delivery, you must request the information no later than November 5, 2012.**

Edgar Filing: GENESIS ENERGY LP - Form 424B3

The date of this prospectus is October 15, 2012.

**Table of Contents**

**TABLE OF CONTENTS**

	<b>Page</b>
<u>SUMMARY</u>	1
<u>TERMS OF THE EXCHANGE NOTES</u>	5
<u>RISK FACTORS</u>	8
<u>Risks Related to the Exchange Offer</u>	8
<u>Risks Related to the Notes</u>	8
<u>USE OF PROCEEDS</u>	14
<u>RATIO OF EARNINGS TO FIXED CHARGES</u>	15
<u>EXCHANGE OFFER</u>	16
<u>Purpose of the Exchange Offer</u>	16
<u>Resale of Exchange Notes</u>	16
<u>Terms of the Exchange Offer</u>	17
<u>Expiration Date</u>	17
<u>Extensions, Delays in Acceptance, Termination or Amendment</u>	18
<u>Conditions to the Exchange Offer</u>	18
<u>Procedures for Tendering</u>	19
<u>Withdrawal of Tenders</u>	20
<u>Fees and Expenses</u>	20
<u>Transfer Taxes</u>	21
<u>Consequences of Failure to Exchange</u>	21
<u>Accounting Treatment</u>	21
<u>Other</u>	21
<u>DESCRIPTION OF CERTAIN OTHER INDEBTEDNESS</u>	22
<u>DESCRIPTION OF EXCHANGE NOTES</u>	24
<u>CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS</u>	80
<u>Exchange Offer</u>	81
<u>U.S. Holders</u>	81
<u>Non-U.S. Holders</u>	83
<u>PLAN OF DISTRIBUTION</u>	86
<u>LEGAL MATTERS</u>	87
<u>EXPERTS</u>	87
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	89
<u>INFORMATION REGARDING FORWARD-LOOKING STATEMENTS</u>	90
<u>ANNEX A</u>	A-1

**Table of Contents**

**SUMMARY**

*This summary highlights information included or incorporated by reference in this prospectus. It does not contain all the information that may be important to you or that you may wish to consider before making an investment decision. You should read carefully the entire prospectus, the documents incorporated by reference and the other documents to which we refer for a more complete understanding of our business and the terms of this offering, as well as the tax and other considerations that are important to you in making your investment decision. Please read **Risk Factors** beginning on page 8 of this prospectus for information regarding risks you should consider before investing in the notes.*

*Unless the context otherwise requires, references in this prospectus to **Genesis Energy, L.P.**, **Genesis**, **we**, **our**, **us** or like terms refer to **Genesis Energy, L.P.** and its operating subsidiaries; **our general partner** refers to **Genesis Energy, LLC**, the general partner of **Genesis**; **Finance Corp.** or **co-issuer** refers to **Genesis Energy Finance Corporation**; **CO<sub>2</sub>** means carbon dioxide; **NaHS**, which is commonly pronounced as **nash**, means sodium hydrosulfide; **NaOH** and **caustic soda** mean sodium hydroxide; **Moody's** means **Moody's Investor Services, Inc.**; and **S&P** means **Standard & Poor's Ratings Services**.*

**Our Company**

We are a growth-oriented master limited partnership focused on the midstream segment of the oil and gas industry in the Gulf Coast region of the United States, primarily Texas, Louisiana, Arkansas, Mississippi, Alabama, Florida and in the Gulf of Mexico. Formed in Delaware in 1996, our common units are traded on the New York Stock Exchange under the ticker symbol **GEL**. We have a diverse portfolio of customers, operations and assets, including pipelines, refinery-related plants, storage tanks and terminals, barges and trucks. We provide an integrated suite of services to oil and CO<sub>2</sub> producers; refineries; industrial and commercial enterprises that use NaHS and caustic soda; and businesses that use CO<sub>2</sub> and other industrial gases. Substantially all of our revenues are derived from providing services to integrated oil companies, large independent oil and gas or refinery companies, and large industrial and commercial enterprises.

**Our Offices**

Our principal executive offices are located at 919 Milam, Suite 2100, Houston, Texas 77002, and the phone number at this address is (713) 860-2500.

For additional information regarding our business properties and financial condition, please refer to the documents referenced in the section entitled **Where You Can Find More Information**.

**Table of Contents**

**Exchange Offer**

*On February 1, 2012, we completed a private offering of the outstanding notes. As part of this private offering, we entered into a registration rights agreement with the representative of the initial purchasers of the outstanding notes in which we agreed, among other things, to deliver this prospectus to you and to use commercially reasonable efforts to complete the exchange offer no later than 365 days after February 1, 2012. The following is a summary of the exchange offer.*

Outstanding Notes	On February 1, 2012, we issued \$100 million aggregate principal amount of 7 <sup>7</sup> / <sub>8</sub> % Senior Notes due 2018.
Exchange Notes	7 <sup>7</sup> / <sub>8</sub> % Senior Notes due 2018. The terms of the exchange notes are identical to those terms of the outstanding notes, except that the transfer restrictions, registration rights and provisions for additional interest relating to the outstanding notes do not apply to the exchange notes.
Exchange Offer	We are offering to exchange up to \$100 million principal amount of our 7 <sup>7</sup> / <sub>8</sub> % Senior Notes due 2018 that have been registered under the Securities Act of 1933, or the Securities Act, for an equal amount of our outstanding 7 <sup>7</sup> / <sub>8</sub> % Senior Notes due 2018 issued on February 1, 2012 to satisfy our obligations under the registration rights agreement that we entered into when we issued the outstanding notes in a transaction exempt from registration under the Securities Act.
Expiration Date	The exchange offer will expire at 5:00 p.m., New York City time, on November 13, 2012, unless we decide to extend it.
Conditions to the Exchange Offer	The registration rights agreement does not require us to accept outstanding notes for exchange if the exchange offer or the making of any exchange by a holder of the outstanding notes would violate any applicable law or Commission policy. A minimum aggregate principal amount of outstanding notes being tendered is not a condition to the exchange offer. Please read Exchange Offer Conditions to the Exchange Offer for more information about the conditions to the exchange offer.
Procedures for Tendering Outstanding Notes	All of the outstanding notes are held in book-entry form through the facilities of The Depository Trust Company, or DTC. To participate in the exchange offer, you must follow the automatic tender offer program, or ATOP, procedures established by DTC for tendering notes held in book-entry form. The ATOP procedures require that the exchange agent receive, prior to the expiration date of the exchange offer, a computer-generated message known as an agent's message that is transmitted through ATOP and that DTC confirm that:

DTC has received instructions to exchange your notes; and

you agree to be bound by the terms of the letter of transmittal in Annex A hereto.

## Edgar Filing: GENESIS ENERGY LP - Form 424B3

For more details, please read Exchange Offer Terms of the Exchange Offer and Exchange Offer Procedures for Tendering.

**Table of Contents**

Guaranteed Delivery Procedures	None.
Withdrawal of Tenders	You may withdraw your tender of outstanding notes at any time prior to the expiration date. To withdraw, you must submit a notice of withdrawal to the exchange agent using ATOP procedures before 5:00 p.m., New York City time, on the expiration date of the exchange offer. Please read Exchange Offer Withdrawal of Tenders.
Acceptance of Outstanding Notes and Delivery of Exchange Notes	If you fulfill all conditions required for proper acceptance of outstanding notes, we will accept any and all outstanding notes that you properly tender in the exchange offer before 5:00 p.m., New York City time, on the expiration date. We will return any outstanding note that we do not accept for exchange to you without expense promptly after the expiration date. We will deliver the exchange notes promptly after the expiration date. Please read Exchange Offer Terms of the Exchange Offer.
Fees and Expenses	We will bear all expenses related to the exchange offer. Please read Exchange Offer Fees and Expenses.
Use of Proceeds	The issuance of the exchange notes will not provide us with any new proceeds. We are making the exchange offer solely to satisfy our obligations under our registration rights agreement.
Consequences of Failure to Exchange Outstanding Notes	If you do not exchange your outstanding notes in the exchange offer, you will no longer be able to require us to register the outstanding notes under the Securities Act, except in the limited circumstances provided under our registration rights agreement. In addition, you will not be able to resell, offer to resell or otherwise transfer the outstanding notes unless we have registered the outstanding notes under the Securities Act, or unless you resell, offer to resell or otherwise transfer them under an exemption from the registration requirements of, or in a transaction not subject to, the Securities Act.
U.S. Federal Income Tax Consequences	The exchange of exchange notes for outstanding notes in the exchange offer will not be a taxable event for U.S. federal income tax purposes. Please read Certain United States Federal Income Tax Considerations.

**Table of Contents**

Exchange Agent

We have appointed U.S. Bank National Association as the exchange agent for the exchange offer. You should direct questions and requests for assistance and requests for additional copies of this prospectus (including the letter of transmittal) to the exchange agent addressed as follows:

By Registered or Certified Mail

U.S. Bank National Association

Corporate Trust Services

5555 San Felipe Street, Suite 1150

Houston, Texas 77056

By Overnight Delivery

U.S. Bank National Association

Corporate Trust Services

5555 San Felipe Street, Suite 1150

Houston, Texas 77056

By Hand Delivery

U.S. Bank National Association

Corporate Trust Services

5555 San Felipe Street, Suite 1150

Houston, Texas 77056

Facsimile Transmission

(713) 235-9213

Attn: Steven A. Finklea

Confirm by Telephone:

(713) 235-9208



**Table of Contents****TERMS OF THE EXCHANGE NOTES**

*The exchange notes will be identical to the outstanding notes, except that the exchange notes are registered under the Securities Act and will not have restrictions on transfer, registration rights or provisions for additional interest. The exchange notes will evidence the same debt as the outstanding notes, and the same indenture will govern the exchange notes and the outstanding notes. We sometimes refer to both the exchange notes and the outstanding notes as the notes.*

*The following summary contains basic information about the exchange notes and is not intended to be complete. It does not contain all the information that is important to you. For a more complete understanding of the exchange notes, please read Description of Exchange Notes.*

Issuers	Genesis Energy, L.P. and Genesis Energy Finance Corporation.
Securities Offered	\$100,000,000 principal amount of 7 <sup>7</sup> / <sub>8</sub> % Senior Notes due 2018.
Interest Rate	7 <sup>7</sup> / <sub>8</sub> % per annum.
Interest Payment Dates	Interest on the exchange notes will accrue from the date on which interest on the outstanding notes was most recently paid and will be payable semi-annually in arrears on June 15 and December 15 of each year, commencing on the first such date next following the date on which the exchange offer is consummated, to holders of record of notes as of the preceding June 1 and December 1, respectively. The initial interest payment on the exchange notes will include all accrued and unpaid interest on the outstanding notes exchanged therefor. See Description of Exchange Notes Principal, Maturity and Interest.
Maturity Date	December 15, 2018.
Subsidiary Guarantee	The exchange notes will be fully and unconditionally guaranteed jointly and severally by certain of our subsidiaries, including substantially all of our current subsidiaries (other than the co-issuer), who we refer to as our subsidiary guarantors. Not all of our future subsidiaries will have to become guarantors. See Description of Exchange Notes Subsidiary Guarantees.
Optional Redemption	We will have the option to redeem the notes, in whole or in part, at any time on or after December 15, 2014, at the redemption prices described in this prospectus under the heading Description of Exchange Notes Optional Redemption, together with any accrued and unpaid interest to, but not including, the date of redemption. In addition, before December 15, 2014, we may redeem all or any part of the notes at the make-whole price set forth under Description of Exchange Notes Optional Redemption. In addition, before December 15, 2013, we may, at any time or from time to time, redeem up to 35% of the aggregate principal amount of the notes with the net proceeds of a public or private equity offering at a redemption price of 107.875% of the principal amount of the notes, plus any accrued and unpaid interest to the date of redemption, if at least 65% of the aggregate principal amount of the notes issued under the



**Table of Contents**

indenture governing the notes remains outstanding immediately after such redemption and the redemption occurs within 120 days of the closing date of such equity offering.

Change of Control

When a change of control event occurs, each holder of notes may require us to repurchase all or a portion of its notes at a price equal to 101.0% of the principal amount of the exchange notes, plus any accrued and unpaid interest to the date of repurchase.

Ranking

The exchange notes will be our general unsecured obligations. The exchange notes will be:

equal in right of payment to all of our existing and future senior unsecured indebtedness;

effectively junior in right of payment to all existing and future secured indebtedness, including indebtedness under our credit agreement, to the extent of the value of the collateral securing such indebtedness;

effectively junior to all existing and future indebtedness and other liabilities of any non-guarantor subsidiaries; and

senior in right of payment to all existing and future subordinated indebtedness.

Certain Covenants

We issued the outstanding notes, and will issue the exchange notes, under an indenture with U.S. Bank National Association, as trustee. The indenture, among other things, limits our ability and the ability of our restricted subsidiaries to:

pay distributions or dividends on, or purchase, redeem or otherwise acquire, equity interests;

make certain investments;

incur additional indebtedness or liens;

sell certain assets or merge with or into other companies;

engage in transactions with affiliates;

enter into sale and leaseback transactions; and

## Edgar Filing: GENESIS ENERGY LP - Form 424B3

engage in an unrelated business.

These covenants are subject to important exceptions and qualifications that are described under the heading "Description of Exchange Notes" in this prospectus. If the exchange notes achieve an investment grade rating from each of Moody's and S&P, many of these covenants will terminate.

For more details, see "Description of Exchange Notes - Certain Covenants."

**Transfer Restrictions; Absence of a Public Market for the Notes** The exchange notes generally will be freely transferable, but will also be new securities for which there will not initially be a market. We do not intend to make a trading market in the exchange notes after the

**Table of Contents**

exchange offer. Therefore, we cannot assure you as to the development of an active market for the exchange notes or as to the liquidity of any such market.

Form of Exchange Notes

The exchange notes will be represented initially by one or more global notes. The global exchange notes will be deposited with the trustee, as custodian for DTC.

Same-Day Settlement

The global exchange notes will be shown on, and transfers of the global exchange notes will be effected only through, records maintained in book-entry form by DTC and its direct and indirect participants.

The exchange notes are expected to trade in DTC's Same Day Funds Settlement System until maturity or redemption. Therefore, secondary market trading activity in the exchange notes will be settled in immediately available funds.

Trading

We do not expect to list the exchange notes for trading on any securities exchange.

Trustee, Registrar and Exchange Agent

U.S. Bank National Association.

Governing Law

The exchange notes and the indenture relating to the exchange notes will be governed by, and construed in accordance with, the laws of the State of New York.

**Table of Contents**

**RISK FACTORS**

*An investment in the notes involves risk. We urge you to read and consider carefully the following risks, along with the risks that are discussed in our Annual Report on Form 10-K for the year ended December 31, 2011, which are incorporated by reference in this prospectus, together with all of the other information included or incorporated by reference in this prospectus, before deciding whether to invest in the notes. If any of these risks were to occur, our business, financial condition or results of operations could be materially and adversely affected. In such case, our ability to meet our obligations under the notes could be materially affected. You could lose all or part of your investment in, or fail to achieve the expected return on, the notes.*

**Risks Related to the Exchange Offer**

*If you fail to exchange outstanding notes, existing transfer restrictions will remain in effect and the market value of outstanding notes may be adversely affected because they may be more difficult to sell.*

If you fail to exchange outstanding notes for exchange notes under the exchange offer, then you will continue to be subject to the existing transfer restrictions on the outstanding notes. In general, the outstanding notes may not be offered or sold unless they are registered or exempt from registration under the Securities Act and applicable state securities laws. Except in connection with this exchange offer or as required by the registration rights agreement, we do not intend to register resales of the outstanding notes.

The tender of outstanding notes under the exchange offer will reduce the principal amount of the currently outstanding notes. Due to the corresponding reduction in liquidity, this may have an adverse effect upon, and increase the volatility of, the market price of any currently outstanding notes that you continue to hold following completion of the exchange offer.

**Risks Related to the Notes**

*We may be unable to generate sufficient cash to service all of our indebtedness, including the notes and our indebtedness under our credit agreement, and may be forced to take other actions to satisfy our obligations under our indebtedness, which may be unsuccessful.*

Our ability to make scheduled payments on, or to refinance, our debt obligations depends on our financial and operating performance, which is subject to prevailing economic and competitive conditions and to certain financial, business and other factors beyond our control. We cannot assure you that we will maintain a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness.

If our cash flows and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay capital expenditures, sell assets or operations, seek additional capital or restructure or refinance our indebtedness, including the notes. We cannot assure you that we would be able to take any of these actions, that these actions would be successful and would permit us to meet our scheduled debt service obligations or that these actions would be permitted under the terms of our existing or future debt agreements, including our credit agreement and the indenture governing the notes. In the absence of such cash flows and capital resources, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt service and other obligations. Our credit agreement contains restrictions on our ability to dispose of assets. We may be unable to consummate those dispositions or to obtain the proceeds that we could realize from them, and any proceeds may be inadequate to meet any debt service obligations then due. Please read Description of Certain Other Indebtedness and Description of Exchange Notes.

---

**Table of Contents**

***The notes and the related guarantees will be unsecured and effectively junior to our and the guarantors existing and future secured indebtedness and to debt of our non-guarantor subsidiaries and joint ventures.***

The notes will be our senior unsecured debt and will rank equally in right of payment with all of our other existing and future senior unsecured debt. The notes will be effectively junior to all of our existing and future secured debt (to the extent of the value of the collateral securing that debt) and to the existing and future secured debt of any subsidiaries that guarantee the notes (to the extent of the value of the collateral securing that debt).

The notes will also be effectively junior to the existing and future debt of (i) our subsidiaries that do not guarantee the notes, including the Existing Unrestricted Subsidiaries and subsidiaries we designate in the future as Unrestricted Subsidiaries as described below under Description of Exchange Notes Brief Description of the Notes and the Subsidiary Guarantees and (ii) any joint ventures.

If we are involved in any dissolution, liquidation or reorganization, our secured debt holders would be paid before you receive any amounts due under the notes to the extent of the value of the assets securing their debt and creditors of our non-guarantor subsidiaries and joint ventures would be paid before you receive any amounts due under the notes to the extent of the value of our equity interests in such entities. In that event, you may be unable to recover any principal or interest you are due under the notes.

As of June 30, 2012, the notes would have been effectively subordinated in right of payment to approximately \$445.0 million of outstanding secured indebtedness under our credit agreement, to the extent of the value of the assets securing such indebtedness. On July 25, 2012, we amended and restated our credit agreement to, among other things, increase our borrowing capacity by \$225.0 million, with the ability to increase the aggregate size of the credit agreement up to \$1.3 billion, subject to lender consent and certain other customary conditions. As a result, after giving effect to such amendment and restatement of our credit agreement, as of June 30, 2012, we would have had \$541.1 million in additional borrowing capacity available under our credit agreement, subject to compliance with financial covenants, which, if borrowed, would be secured debt which would effectively be senior to the notes.

***Fluctuations in interest rates could adversely affect our business or cause our debt service obligations to increase significantly.***

We have exposure to movements in interest rates. The interest rates under our credit agreement are variable. Our results of operations and our cash flows, as well as our access to future capital and our ability to fund our growth strategy, could be adversely affected by significant increases in interest rates. If interest rates increase, our debt service obligations on the variable rate indebtedness would increase even though the amount borrowed remained the same, and our net income and cash available for servicing our indebtedness, including the notes, would decrease.

***Our indebtedness could adversely restrict our ability to operate, affect our financial condition, and prevent us from complying with our requirements under our debt instruments, including the notes.***

As of June 30, 2012, we had approximately \$445.0 million outstanding of senior secured indebtedness.

We must comply with various affirmative and negative covenants contained in our credit agreement and in the indenture governing the notes. Among other things, these covenants limit our ability to:

incur additional indebtedness or liens;

make payments in respect of or redeem or acquire any debt or equity issued by us;

sell assets;

make loans or investments;





**Table of Contents**

make guarantees;

enter into any hedging agreement for speculative purposes;

acquire or be acquired by other companies; and

amend some of our contracts.

The restrictions under our indebtedness may prevent us from engaging in certain transactions which might otherwise be considered beneficial to us and could have other important consequences to noteholders. For example, they could:

increase our vulnerability to general adverse economic and industry conditions;

limit our ability to make distributions; to fund future working capital, capital expenditures and other general partnership requirements; to engage in future acquisitions, construction or development activities; or to otherwise fully realize the value of our assets and opportunities because of the need to dedicate a substantial portion of our cash flows from operations to payments on our indebtedness or to comply with any restrictive terms of our indebtedness;

limit our flexibility in planning for, or reacting to, changes in our businesses and the industries in which we operate; and

place us at a competitive disadvantage as compared to our competitors that have less debt.

We may incur additional indebtedness (public or private) in the future under our existing credit agreement, by issuing debt instruments, under new credit agreements, under joint venture credit agreements, under capital leases or synthetic leases, on a project-finance or other basis, or a combination of any of these. If we incur additional indebtedness in the future, it likely would be under our existing credit agreement or under arrangements that may have terms and conditions at least as restrictive as those contained in our existing credit agreement or the indenture governing the notes. Failure to comply with the terms and conditions of any existing or future indebtedness would constitute an event of default. If an event of default occurs, the lenders or noteholders will have the right to accelerate the maturity of such indebtedness and foreclose upon the collateral, if any, securing that indebtedness.

***Despite our and our subsidiaries' current level of indebtedness, we may still be able to incur substantially more debt.***

We and our subsidiaries may be able to incur additional indebtedness in the future, subject to certain limitations, including under our credit agreement, under the indenture governing the notes, by issuing debt instruments, under new credit agreements, under joint venture credit agreements, under capital leases or synthetic leases, on a project-finance or other basis, or a combination of any of these. For example, as of June 30, 2012, after giving effect to the amendment and restatement of our credit agreement, we would have been able to borrow approximately an additional \$541.1 million available on a revolving basis under our credit agreement, subject to compliance with financial covenants.

If new debt is added to our current debt levels, the related risks that we and our subsidiaries currently face could intensify. In addition, the incurrence of additional indebtedness could make it more difficult to satisfy our existing financial obligations, including those relating to the notes.

If we incur any additional indebtedness, including trade payables, that ranks equally with the notes, the holders of that debt will be entitled to share ratably with you in any proceeds distributed in connection with any insolvency, liquidation, reorganization, dissolution or other winding up of our partnership. This may have the effect of reducing the amount of proceeds paid to you. Please read Description of Exchange Notes.



## **Table of Contents**

### ***We may be unable to repurchase the notes upon a change of control.***

Upon the occurrence of certain change of control events, we would be required to offer to repurchase all or any part of the notes then outstanding for cash at 101% of the principal amount plus accrued and unpaid interest. The source of funds for any repurchase required as a result of any change of control will be our available cash or cash generated from our operations or other sources, including:

borrowings under our credit agreement or other sources;

sales of assets; or

sales of equity.

We cannot assure you that sufficient funds would be available at the time of any change of control to repurchase your notes after first repaying any of our senior debt that may exist at the time. In addition, restrictions under our credit agreement or any future credit facilities will not allow such repurchases.

Additionally, a change of control (as defined in the indenture governing the notes) will be an event of default under our credit agreement, which would permit the lenders to accelerate the debt outstanding under the credit agreement. Finally, using available cash to fund the potential consequences of a change of control may impair our ability to obtain additional financing in the future, which could negatively impact our ability to conduct our business operations.

### ***A subsidiary guarantee could be voided if it constitutes a fraudulent transfer under U.S. bankruptcy or similar state law, which would prevent the holders of the notes from relying on that subsidiary to satisfy claims.***

Under U.S. bankruptcy law and comparable provisions of state fraudulent transfer laws, our subsidiary guarantees can be voided, or claims under the subsidiary guarantees may be further subordinated to all other debts of that subsidiary guarantor if, among other things, the subsidiary guarantor, at the time it incurred the indebtedness evidenced by its guarantee or, in some states, when payments become due under the guarantee, received less than reasonably equivalent value or fair consideration for the incurrence of the guarantee and:

was insolvent or rendered insolvent by reason of such incurrence;

was engaged in a business or transaction for which the guarantor's remaining assets constituted unreasonably small capital; or

intended to incur, or believed that it would incur, debts beyond its ability to pay those debts as they mature.

Our subsidiary guarantees may also be voided, without regard to the above factors, if a court found that the subsidiary guarantor entered into the guarantee with the actual intent to hinder, delay or defraud its creditors.

A court would likely find that a subsidiary guarantor did not receive reasonably equivalent value or fair consideration for its guarantee if the subsidiary guarantor did not substantially benefit directly or indirectly from the issuance of the guarantees. If a court were to void a subsidiary guarantee, you would no longer have a claim against the subsidiary guarantor. Sufficient funds to repay the notes may not be available from other sources, including the remaining subsidiary guarantors, if any. In addition, the court might direct you to repay any amounts that you already received from the subsidiary guarantor.

The measures of insolvency for purposes of fraudulent transfer laws vary depending upon the governing law. Generally, a guarantor would be considered insolvent if:

the sum of its debts, including contingent liabilities, were greater than the fair saleable value of all its assets;

## **Table of Contents**

the present fair saleable value of its assets were less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they become absolute and mature; or

it could not pay its debts as they become due.

Each subsidiary guarantee contains a provision intended to limit the subsidiary guarantor's liability to the maximum amount that it could incur without causing the incurrence of obligations under its subsidiary guarantee to be a fraudulent transfer. Such provision may not be effective to protect the subsidiary guarantees from being voided under fraudulent transfer law.

***Many of the covenants contained in the indenture governing the notes will be terminated if the notes are rated investment grade by both S&P and Moody's and no default or event of default has occurred and is continuing.***

Many of the covenants in the indenture governing the notes will be terminated if the notes are rated investment grade by both S&P and Moody's provided at such time no event of default has occurred and is continuing. The covenants restrict, among other things, our ability to pay dividends, incur debt, and to enter into certain other transactions. There can be no assurance that the notes will ever be rated investment grade. However, termination of these covenants would allow us to engage in certain transactions that would not have been permitted while these covenants were in force. Please read Description of Exchange Notes Certain Covenants Covenant Termination.

***A financial failure by us or our subsidiaries may result in the assets of any or all of those entities becoming subject to the claims of all creditors of those entities.***

A financial failure by us or our subsidiaries could affect payment of the notes if a bankruptcy court were to substantively consolidate us and our subsidiaries. If a bankruptcy court substantively consolidated us and our subsidiaries, the assets of each entity would become subject to the claims of creditors of all entities. This would expose holders of notes not only to the usual impairments arising from bankruptcy, but also to potential dilution of the amount ultimately recoverable because of the larger creditor base. Furthermore, forced restructuring of the notes could occur through the cram-down provisions of the U.S. bankruptcy code. Under these provisions, the notes could be restructured over your objections as to their general terms, primarily interest rate and maturity.

***The interruption of distributions to us from our subsidiaries and joint ventures may affect our ability to make payments on our commitments, including the notes.***

We are a holding company. As such, our primary assets are the equity interests in our subsidiaries and joint ventures. Consequently, our ability to fund our commitments, including payments on the notes, depends upon the earnings and cash flows of our subsidiaries and joint ventures and the distribution of that cash to us. Distributions from our joint ventures are subject to the discretion of their respective management committees. Further, each joint venture's charter documents typically vest in its management committee sole discretion regarding distributions. Accordingly, our joint ventures may not continue to make distributions to us at current levels or at all.

***We distribute all of our available cash to our unitholders, which may limit the cash available to service the notes or repay them at maturity.***

Subject to the limitations on restricted payments contained in the indenture governing the notes and in our credit agreement and other indebtedness, we distribute all of our available cash each quarter to our unitholders. Available cash is defined in our limited partnership agreement. As a result, we may not accumulate significant amounts of cash. If our board of directors fails to establish sufficient reserves, these distributions could significantly reduce the cash available to us in subsequent periods to make payments on the notes.

**Table of Contents**

***Restrictive covenants under our indenture may adversely affect our operations.***

The indenture governing the notes contains, and any future indebtedness we incur may contain, a number of restrictive covenants that impose significant operating and financial restrictions on us, including restrictions on our ability to, among other things:

sell assets, including equity interests in our subsidiaries;

pay distributions on, redeem or repurchase our units or redeem or repurchase our subordinated debt;

make investments;

incur or guarantee additional indebtedness or issue preferred units;

create or incur certain liens;

enter into agreements that restrict distributions or other payments from our restricted subsidiaries to us;

consolidate, merge or transfer all or substantially all of our assets;

engage in transactions with affiliates;

create unrestricted subsidiaries;

enter into sale and leaseback transactions; and

engage in certain business activities.

As a result of these covenants, we are limited in the manner in which we conduct our business, and we may be unable to engage in favorable business activities or finance future operations or capital needs.

***There is no public market for the notes.***

We do not intend to list the notes on any national securities exchange. There can be no assurance as to the development of any market or the liquidity of any market that may develop for the notes. Historically, the market for non-investment grade debt has been subject to disruptions that have caused substantial volatility in the prices of securities similar to the notes. We cannot assure you that the market for the notes, if any, will not be subject to similar disruptions. Any such disruptions may adversely affect you as a holder of the notes.

***The tax treatment of publicly traded partnerships could be subject to potential legislative, judicial or administrative changes and differing interpretations, possibly on a retroactive basis.***

## Edgar Filing: GENESIS ENERGY LP - Form 424B3

The present U.S. federal income tax treatment of publicly traded partnerships, including us, may be modified by administrative, legislative or judicial interpretation at any time. Any modification to the U.S. federal income tax laws and interpretations thereof may or may not be applied retroactively and could make it more difficult or impossible to meet the exception for us to be treated as a partnership for U.S. federal income tax purposes that is not taxable as a corporation, affect or cause us to change our business activities, affect the tax considerations of an investment in us and change the character or treatment of portions of our income. The current Administration and members of Congress have recently considered substantive changes to the existing U.S. federal income tax laws that would adversely affect the tax treatment of certain publicly traded partnerships. We are unable to predict whether any of these changes, or other proposals, will ultimately be enacted. Any such changes could cause a material reduction in our anticipated cash flow, which could materially and adversely affect our ability to make payments on the exchange notes and our other debt obligations and could cause a reduction in the value of the exchange notes.

**Table of Contents**

**USE OF PROCEEDS**

The exchange offer is intended to satisfy our obligations under the registration rights agreement. We will not receive any cash proceeds from the issuance of the exchange notes in the exchange offer. In consideration for issuing the exchange notes as contemplated by this prospectus, we will receive outstanding notes in a like principal amount. The form and terms of the exchange notes are identical in all respects to the form and terms of the outstanding notes, except the exchange notes do not include certain transfer restrictions, registration rights or provisions for additional interest. Outstanding notes surrendered in exchange for the exchange notes will be retired and cancelled and will not be reissued. Accordingly, the issuance of the exchange notes will not result in any change in our outstanding indebtedness.



**Table of Contents**

**RATIO OF EARNINGS TO FIXED CHARGES**

The table below sets forth the Ratios of Earnings to Fixed Charges for us for each of the periods indicated.

	Fiscal Year Ended December 31,					Six Months
	2007	2008	2009	2010	2011	Ended June 30, 2012
Ratio of Earnings to Fixed Charges	(1)	2.7	1.5	(2)	2.7	3.1

(1) Earnings were inadequate to