

U.S. Shipping Partners L.P.
Form 4
August 09, 2006

FORM 4

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

Check this box
if no longer
subject to
Section 16.
Form 4 or
Form 5
obligations
may continue.
See Instruction
1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF
SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,
Section 17(a) of the Public Utility Holding Company Act of 1935 or Section
30(h) of the Investment Company Act of 1940

OMB APPROVAL

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(Print or Type Responses)

1. Name and Address of Reporting Person *
Gehegan Joseph P

(Last) (First) (Middle)

C/O U.S. SHIPPING PARTNERS
L.P., 399 THORNALL STREET,
8TH FLOOR

(Street)

EDISON, NJ 08837

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading
Symbol

U.S. Shipping Partners L.P. [USS]

3. Date of Earliest Transaction
(Month/Day/Year)

08/07/2006

4. If Amendment, Date Original
Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

☐ X Director ☐ 10% Owner
☒ X Officer (give title below) ☐ Other (specify below)

President and COO

6. Individual or Joint/Group Filing(Check
Applicable Line)
☒ X Form filed by One Reporting Person
☐ Form filed by More than One Reporting
Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Code	4. Securities Acquired or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
Common units representing limited partner interests	08/07/2006		P	2,020 A	\$ 18.34 17,020	D	
Class B convertible units ⁽¹⁾	08/07/2006		P	4,820 A	\$ 17.12 4,820	D	
Subordinated units					0 ⁽²⁾ ⁽⁴⁾ ⁽⁵⁾	I	See footnotes

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General partner interest	0 (3) (4) (5)	I	(2) (4) (5) See footnotes (3) (4) (5)
Incentive distribution rights	0 (4) (5)	I	See footnotes (4) (5)

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned Following Reported Transaction (Instr. 6)
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
Gehegan Joseph P C/O U.S. SHIPPING PARTNERS L.P. 399 THORNALL STREET, 8TH FLOOR EDISON, NJ 08837	X President and COO

Signatures

Joseph P. Gehegan 08/07/2006

**Signature of Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) The class B units are subordinate to the common units and, if approved by unitholders, will be converted into common units. The class B units vote as a single class with the common units, except that the class B units are entitled to vote as a separate class on any matters that adversely affects their rights or preferences.

(2) United States Shipping Master LLC ("Shipping Master") owned a 98% limited interest in the Issuer. At the closing of the Issuer's initial public offering of common units ("Common Units") representing limited partner interests (the "Offering") on November 3, 2004, Shipping Master's 98% limited partner interest was redeemed for \$1,960.

(3) Shipping Master owns 100% of US Shipping General Partner LLC ("Shipping GP"), the sole general partner of the Issuer. Shipping GP owns a 2% general partner interest in the Issuer.

(4) At the Closing of the Offering, each of Shipping Master and Shipping GP agreed to convey certain assets and liabilities to the Issuer and in exchange therefor (a) Shipping Master received 899,968 Common Units, 5,272,341 Class A subordinated units and 1,627,627 class B subordinated units of the Issuer and (b) Shipping GP continued its 2% general partner interest and received incentive distribution rights ("IDRs"), which represent the right to receive an increasing percentage of quarterly distributions in excess of specified amounts. Shipping Master is the indirect beneficial owner of the general partner interest in the Issuer and the IDRs owned by Shipping GP.

(5) Under Shipping Master's llc agreement, Mr. Gehegan owns a (a) 3.89% pecuniary interest in the common units directly owned by Shipping Master and the GP interest and IDRs indirectly owned by Shipping Master, and (b) 16.51% pecuniary interest in the class B subordinated units directly owned by Shipping Master. He will have the right to receive 2.5% of the distributions received by Shipping GP attributable to (i) the IDRs and (ii) that portion of its 2% GP interest attributable to distributions on the common units and subordinated units in excess of the minimum quarterly distribution. He will only receive these amounts on conversion of class A subordinated units into common, but upon such conversion he will also be entitled to receive a "catch up" payment equal to the cumulative amount he would have received if such payments had commenced at closing of the Offering. He will receive a pro rata share of such amounts if less than all class A units convert.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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