

SemGroup Corp
Form 8-K
March 09, 2017

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): March 8, 2017

SEMGROUP CORPORATION

(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction
of Incorporation)

1-34736
(Commission

20-3533152
(IRS Employer

File Number)

Identification No.)

Two Warren Place

6120 S. Yale Avenue, Suite 1500

Tulsa, OK 74136-4231

(Address of Principal Executive Offices) (Zip Code)

(918) 524-8100

(Registrant's Telephone Number, Including Area Code)

Not Applicable

(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 (*see* General Instruction A.2. below):

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.

On March 8, 2017, SemGroup Corporation (the "Corporation") entered into a purchase agreement (the "Purchase Agreement") with certain of the Corporation's wholly-owned subsidiaries, as guarantors, and Credit Suisse Securities (USA) LLC, as representative of the several initial purchasers named therein (collectively, the "Initial Purchasers"), pursuant to which the Corporation has agreed to sell to the Initial Purchasers (the "Offering") \$325 million aggregate principal amount of the Corporation's 6.375% senior unsecured notes due 2025 (the "Notes"), for resale to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended (the "Securities Act"), and to non-U.S. persons outside the United States pursuant to Regulation S of the Securities Act. The Corporation expects to close the Offering on March 15, 2017.

The net proceeds from the Offering are expected to be approximately \$314 million, after deducting the Initial Purchasers' discount and the Corporation's estimated expenses of the Offering and the tender offer and any redemption discussed below. The Corporation expects to use the net proceeds from the Offering, together with cash on hand, to fund the repurchase for cash of any and all of the Corporation's outstanding \$300 million aggregate principal amount of 7.50% senior unsecured notes due 2021 (the "2021 Notes") pursuant to a tender offer (the "Tender Offer"), to redeem any of the 2021 Notes that remain outstanding thereafter and to pay fees and expenses of the Offering, the Tender Offer and any redemption. The Offering is not conditioned on the consummation of the Tender Offer. The Tender Offer is conditioned on, among other things, the closing of the Offering.

Credit Suisse Securities (USA) LLC is acting as the dealer manager in connection with the Tender Offer. Certain of the Initial Purchasers and/or their respective subsidiaries may hold a portion the 2021 Notes for their own account or the accounts of customers and therefore may receive net proceeds from the Offering to the extent they participate in the Tender Offer. In addition, certain of the Initial Purchasers, or their respective affiliates, are lenders and/or agents under the revolving credit facility under the Corporation's corporate credit agreement and receive customary fees and expense reimbursement in connection therewith. The Initial Purchasers and their respective affiliates have in the past performed commercial banking, investment banking and advisory services for us from time to time for which they have received customary fees and reimbursement of expenses and may, from time to time, engage in transactions with and perform services for us in the ordinary course of their business for which they may receive customary fees and reimbursement of expenses.

The Purchase Agreement includes customary representations, warranties, covenants and agreements, including an agreement by the Corporation to indemnify the Initial Purchasers against certain liabilities. The closing of the Offering is subject to the satisfaction of certain customary closing conditions contained in the Purchase Agreement and, as a result, there can be no assurance that the Offering will be completed.

The foregoing description of the Purchase Agreement is not complete and is subject to and qualified in its entirety by reference to the full text of the Purchase Agreement, which is filed as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated by reference herein.

Item 8.01 Other Events.

On March 8, 2017, the Corporation issued a press release announcing the pricing of the Notes. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

The press release is neither an offer to sell nor a solicitation of an offer to buy the Notes or any other securities and shall not constitute an offer, solicitation or sale in any jurisdiction in which such offer, solicitation or sale is unlawful. The Notes and the guarantees thereof have not been registered under the Securities Act or any state securities laws and may not be offered or sold in the United States absent registration or applicable exemption from the registration requirements under the Securities Act and applicable state securities laws. The Notes are expected to be offered and

sold only to qualified institutional buyers pursuant to Rule 144A under the Securities Act and to non-U.S. persons outside of the United States pursuant to Regulation S under the Securities Act. The press release is being issued in accordance with Rule 135c under the Securities Act.

Cautionary Note Regarding Forward-Looking Statements

Certain matters contained in this filing include forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended. We make these forward-looking statements in reliance on the safe harbor protections provided under the Private Securities Litigation Reform Act of 1995.

All statements, other than statements of historical fact, included in this filing, including regarding the closing of the Offering and the expected use of proceeds from the Offering may constitute forward-looking statements. Although we believe that the expectations reflected in these forward-looking statements are reasonable, we cannot assure you that these expectations will prove to be correct. These forward-looking statements are subject to certain known and unknown risks and uncertainties, as well as assumptions that could cause actual results to differ materially from those reflected in these forward-looking statements. Factors that might cause actual results to differ include, but are not limited to, any of the factors discussed from time to time in each of our documents and reports filed with the Securities and Exchange Commission.

Readers are cautioned not to place undue reliance on any forward-looking statements contained in this filing, which reflect management's opinions only as of the date hereof. Except as required by law, we undertake no obligation to revise or publicly release the results of any revision to any forward-looking statements.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
10.1	Purchase Agreement, dated March 8, 2017, by and among SemGroup Corporation, certain of its wholly-owned subsidiaries party thereto, as guarantors, and Credit Suisse Securities (USA) LLC, as representative of the several initial purchasers named therein.
99.1	Press Release dated March 8, 2017, issued by SemGroup Corporation.

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 hereunto duly authorized.

SEMGROUP CORPORATION

Date: March 9, 2017

By: /s/ William H. Gault
William H. Gault
Corporate Secretary

EXHIBIT INDEX

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