

**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): **March 12, 2021**

Ferrellgas Partners, L.P.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-11331
(Commission
File Number)

43-1698480
(I.R.S. Employer
Identification No.)

**7500 College Blvd., Suite 1000,
Overland Park, Kansas**
(Address of principal executive offices)

66210
(Zip Code)

Registrant's telephone number, including area code: **913-661-1500**

Not Applicable

Former name or former address, if changed since last report

Ferrellgas Partners Finance Corp.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

333-06693-02
(Commission
File Number)

43-1742520
(I.R.S. Employer
Identification No.)

**7500 College Blvd., Suite 1000,
Overland Park, Kansas**
(Address of principal executive offices)

66210
(Zip Code)

Registrant's telephone number, including area code: **913-661-1500**

n/a

Former name or former address, if changed since last report

Ferrellgas, L.P.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

000-50182
(Commission
File Number)

43-1698481
(I.R.S. Employer
Identification No.)

**7500 College Blvd., Suite 1000,
Overland Park, Kansas**
(Address of principal executive offices)

66210
(Zip Code)

Registrant's telephone number, including area code: **913-661-1500**

n/a

Former name or former address, if changed since last report

Ferrellgas Finance Corp.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

000-50183
(Commission
File Number)

14-1866671
(I.R.S. Employer
Identification No.)

**7500 College Blvd., Suite 1000,
Overland Park, Kansas**
(Address of principal executive offices)

66210
(Zip Code)

Registrant's telephone number, including area code: **913-661-1500**

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:

- 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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Ferrellgas Partners, L.P.

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Ferrellgas Partners Finance Corp.

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Ferrellgas, L.P.

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Ferrellgas Finance Corp.

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
N/A	N/A	N/A

Item 7.01 Regulation FD Disclosure.

Ferrellgas Partners, L.P. (“MLP”) and Ferrellgas Partners Finance Corp. (“Partners Finance” and, together with MLP, the “Holdco Entities”) previously filed voluntary petitions for relief (the “Chapter 11 Cases”) under chapter 11 of title 11 of the United States Code in the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”). The Holdco Entities’ Chapter 11 Cases are being jointly administered under the caption and case numbers, *In re: Ferrellgas Partners, L.P. and Ferrellgas Partners Finance Corp.*, Chapter 11 Case Nos. 21-10020 and 21-10021. The Holdco Entities, together with the MLP’s operating subsidiary, Ferrellgas, L.P. (the “Company”), are collectively referred to herein as the “Ferrellgas Entities.”

As previously disclosed in the Ferrellgas Entities’ Quarterly Report on Form 10-Q for the quarter ended January 31, 2021, on March 5, 2021, the Bankruptcy Court entered an order confirming the Holdco Entities’ Second Amended Prepackaged Joint Chapter 11 Plan of Reorganization for the HoldCo Entities (the “Plan”). The effectiveness of the Plan is conditioned on certain requirements such as the Company completing its refinancing. As described in the Plan, the Company intends to issue new preferred units (the “New Senior Preferred Units”) in a private placement to certain qualified institutional buyers and institutional accredited investors, including certain holders of the 8.625% Senior Notes due 2020 issued by the HoldCo Entities (the “2020 Notes”).

Commitments to Purchase New Senior Preferred Units

In support of the restructuring, the Company has entered into equity commitment letters with funds managed by the Private Equity Group and the Credit Group of Ares Management Corporation (“Ares”), as well as JPMorgan Chase Funding, Inc., within its Strategic Situations Initiative (“JPMCF,” together with Ares, collectively referred to as the “Purchasers”), setting forth the Purchasers’ commitments to purchase New Senior Preferred Units. Pursuant to the equity commitment letters, the Purchasers have agreed (subject to their respective allocations) to purchase New Senior Preferred Units in an aggregate principal amount of \$700 million, which aggregate principal amount may be increased up to \$900 million by OpCo. Consummation of the sale of the New Senior Preferred Units is subject to a number of conditions precedent, including the execution and delivery of applicable definitive documentation as well as completion of the refinancing transactions for OpCo consistent with the Plan.

Cleansing Materials

In connection with the Company’s restructuring, the Company and Ferrellgas, Inc. entered into confidentiality agreements (the “NDAs”) with certain holders of the 2020 Notes to provide such holders with the opportunity to participate in the issuance of the New Senior Preferred Units. Pursuant to the NDAs, the Company is required to publicly disclose certain confidential information related to certain terms of the New Senior Preferred Units as provided to the holders of the 2020 Notes, which information was included in a non-binding indicative term sheet provided to such holders that was included with the Ares commitment (the “Term Sheet”). Accordingly, the Company is furnishing a summary of the Term Sheet as Exhibit 99.1 hereto.

The issuance of New Senior Preferred Units is subject to the execution of definitive documentation and may not be completed as contemplated by the summary of the Term Sheet or at all. If the Company is unable to complete the transaction or any other alternative transactions, on favorable terms or at all, due to market conditions or otherwise, its financial condition could be materially and adversely affected. The summary of the Term Sheet is not intended to be legally binding nor is it a comprehensive list of all relevant terms and conditions of the potential issuance of New Senior Preferred Units.

The offer of New Senior Preferred Units is being made only to certain qualified institutional buyers and institutional accredited investors and the furnishing of this summary of the Term Sheet does not constitute an offer to sell or buy, nor the solicitation of an offer to sell or buy, any of the securities referred to therein.

The information disclosed in this Item 7.01, including Exhibit 99.1 is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that Section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any general incorporation language in such a filing.

Cautionary Statement Regarding Forward-Looking Statements

Statements included in this Current Report on Form 8-K may constitute forward-looking statements. These forward-looking statements are identified as any statement that does not relate strictly to historical or current facts. These statements often use words such as “anticipate,” “believe,” “intend,” “plan,” “projection,” “forecast,” “strategy,” “position,” “continue,” “estimate,” “expect,” “may,” “will,” or the negative of those terms or other variations of them or comparable terminology. These statements often discuss plans, strategies, events or developments that we expect or anticipate will or may occur in the future and are based upon the beliefs and assumptions of our management and on the information currently available to them. There can be no assurances that the issuance and sale of the New Senior Preferred Units will be completed or in accordance with the terms as summarized.

We continue to experience financial, business, operational and reputational risks that could materially affect our present expectations and projections. In addition, the effectiveness of the Plan is conditioned on certain requirements such as the Company completing its refinancing. There is no assurance that the Plan will become effective or that the refinancing transactions will be consummated, and the outcome of our debt reduction strategy continues to remain uncertain. For additional information regarding known material factors that could cause our actual results to differ from those contained in or implied by forward-looking statements, please see the section entitled "Risk Factors" in the Ferrellgas Entities' Annual Report on Form 10-K for the year ended July 31, 2020 and in subsequent Exchange Act reports.

You are cautioned not to place undue reliance on forward-looking statements, which are made only as of the date hereof. We undertake no obligation to publicly update or revise any forward-looking statements after the date they are made, whether as a result of new information, future events or otherwise, except as required by law.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1	Summary of Non-Binding Indicative Term Sheet

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.

FERRELLGAS PARTNERS, L.P.

By: Ferrellgas, Inc., its general partner

Date: March 12, 2021

By: /s/ Brian W. Herrmann
Name: *Brian W. Herrmann*
Title: *Interim Chief Financial Officer; Treasurer (Principal Financial and Accounting Officer)*

FERRELLGAS PARTNERS FINANCE CORP.

Date: March 12, 2021

By: /s/ Brian W. Herrmann
Name: *Brian W. Herrmann*
Title: *Interim Chief Financial Officer and Sole Director*

FERRELLGAS, L.P.

By: Ferrellgas, Inc., Ferrellgas GP II, LLC and Ferrellgas GP III, LLC, its general partners

Date: March 12, 2021

By: /s/ Brian W. Herrmann
Name: *Brian W. Herrmann*
Title: *Interim Chief Financial Officer; Treasurer (Principal Financial and Accounting Officer)*

FERRELLGAS FINANCE CORP.

Date: March 12, 2021

By: /s/ Brian W. Herrmann
Name: *Brian W. Herrmann*
Title: *Interim Chief Financial Officer and Sole Director*

Summary of Non-Binding Indicative Term Sheet For New Senior Preferred Units

Ferrellgas, L.P. (the "Company") expects to issue \$700.0 million aggregate liquidation preference of a newly created series of redeemable preferred units (the "New Senior Preferred Units"), with the powers, preferences and other rights as summarized below. The New Senior Preferred Units will be sold through a private placement to certain institutional investors. The terms of the New Senior Preferred Units described herein is intended as a summary of the non-binding indicative term sheet entered into with certain parties and are subject to change, and there can be no assurance that the closing of the offering of the New Senior Preferred Units will occur on the terms described herein or at all.

Distributions

The Company will pay to the holders of each New Senior Preferred Unit a cumulative, quarterly distribution (the "Quarterly Distribution") at the Distribution Rate (as defined below) on the unit purchase price of such New Senior Preferred Unit, which will be \$1000 per unit (the "Unit Purchase Price").

"Distribution Rate" means, for the first five years after the issuance date of the New Senior Preferred Units (the "Issuance Date"), a rate per annum equal to the greater of (i) 8.625% or (ii) 287.5 basis points greater than the "yield to worst" (as defined in accordance with industry custom for such type of indebtedness not to exceed 11.125%) of the weighted average of the unsecured notes (the "New High Yield Notes") issued by the Company in connection with the issuance of the New Senior Preferred Units, with certain increases in the Distribution Rate on each of the 5th, 6th and 7th anniversaries of the Issuance Date.

Any Distribution Rate greater than 8.625% on the Issuance Date is referred to as a "Yield to Worst Adjusted Rate."

The Quarterly Distribution will be paid in cash; provided, that the Company may, at its option in its sole discretion, pay any of the Quarterly Distribution "in kind" through the issuance of additional New Senior Preferred Units ("PIK Units") at the quarterly Distribution Rate plus an applicable premium that escalates each year from 75bps to 300 bps so long as the New Senior Preferred Units remain outstanding ("PIK Penalties").

In the event the Company fails to make any Quarterly Distribution in cash, such Quarterly Distribution will automatically be paid in PIK Units. The Redemption Price for any PIK Unit will equate to an amount that solves for an internal rate of return ("IRR") of 12% (or such higher applicable IRR depending on the interest rate of the New High Yield Notes).

The Distribution Rate on the New Senior Preferred Units will increase upon violation of certain protective provisions for the benefit of New Senior Preferred Unit holders, subject to certain exceptions.

Tax Distributions

For any quarter in which the Company makes a Quarterly Distribution in PIK Units in lieu of cash, it shall make cash distributions for such quarter in an amount equal to the (i) the lower of (x) 25% and (y) the highest combined federal, state and local tax rate applicable for corporations, multiplied by (ii) the income allocated for such quarter (such amount, the "Tax Distribution"). Tax Distributions are treated as advances against, and reduce, future cash distributions of Quarterly Distributions and Additional Amounts (as defined below) and/or the Redemption Price (as defined below).

Additional Amounts for Certain Purchasers

The Company will pay additional amounts of cash (the "Additional Amounts") as necessary to certain purchasers of New Senior Preferred Units that are holding their interests through Blockers (as defined below), provided, however, the Company will not be obligated to pay Additional Amounts with respect to more than 56% of all New Senior Preferred Units allocated to such purchasers.

In the event of a partial redemption of New Senior Preferred Units held by Blockers, the calculation of Additional Amounts will take such partial redemptions in account and the Additional Amounts will be reduced proportionately. A "Blocker" means a U.S. entity, owned and organized by certain original purchasers of New Senior Preferred Units who are non-residents or tax exempt for U.S. tax purposes, that is treated as a corporation for U.S. tax purposes. Only certain original purchasers of New Senior Preferred Units who hold their Preferred Units through Blockers are, and none of their transferees is, entitled to Additional Amounts.

Maturity

The New Senior Preferred Units do not have a maturity date.

Issuer Redemption Right

The Company will have the right to redeem all or a portion of the New Senior Preferred Units for cash, pro rata and at any time and from time to time, including in connection with a Change of Control (as defined herein), in an amount per New Senior Preferred Unit (the "Redemption Price") equal to, without duplication, the sum of (a) the greater of (i) the amount necessary to result in a MOIC of 1.45x in respect of the Unit Purchase Price of such New Senior Preferred Unit and (ii) the amount necessary to result in the applicable IRR to be specified in the definitive documentation plus additional amounts in the event the Company elects to pay Quarterly Distribution in PIK Units in more than six (6) quarters. A partial redemption of the New Senior Preferred Units shall be permitted only in the event the aggregate amount to be paid in respect of all New Senior Preferred Units included in such partial redemption exceeds \$25 million. The Redemption Price for any PIK Unit will equate to an amount that solves for the then applicable Minimum IRR for any quarter in which PIK Units are issued for the first six (6) quarters.

“**MOIC**” means, with respect to a New Senior Preferred Unit, a multiple on invested capital equal to the quotient determined by dividing (A) the sum of (x) the aggregate amount of all distributions made in cash with respect to such New Senior Preferred Unit prior to the applicable date of determination plus (y) each Redemption Price paid in cash in respect of such New Senior Preferred Unit, on or prior to the applicable date of determination, by (B) the Unit Purchase Price of such New Senior Preferred Unit.

Investor Redemption Right

In the event that (i) any New Class B Units of Ferrellgas Partners, L.P. (“Holdings”) are outstanding, or (ii) in the event that (x) no Holdings' New Class B Units are outstanding, and (y) the outstanding amount of the New Senior Preferred Units is less than or equal to \$233.3 million, at any time on and after the later of (A) the tenth anniversary of the Issuance Date and (B) the date that is six months following the maturity of the New High Yield Notes at the time of original issuance (provided such New High Yield Notes have a maturity of approximately 10 years), to the extent the New Senior Preferred Units have not been fully redeemed prior to such time, the Required Holders may elect, by delivery of written notice, to have the Company fully redeem each remaining outstanding New Senior Preferred Unit for an amount in cash equal to the Redemption Price (as defined herein) of such Preferred Unit (“Mandatory Redemption Date”).

In the event that (i) no Holdings' New Class B Units are outstanding and (ii) the outstanding amount of New Senior Preferred Units is greater than \$233.3 million, the Required Holders will have the right to trigger a sale of the Company after the tenth anniversary of the Issuance Date, to the extent the New Senior Preferred Units have not been fully redeemed prior to such time (the “Redemption Trigger”). If the Company fails to consummate a sale that would pay the Redemption Price in full within 180 days of written notice of the occurrence of the Redemption Trigger and request for payment of the Redemption Price, the Required Holders will have the right to appoint a majority of the members of the directors onto the board of directors of Ferrellgas, Inc. or such other relevant governing entity (the “Board”) and initiate a sale of the Company. The Company will agree to take all actions necessary to consummate such sale.

Change of Control

Upon a Change of Control (as to be defined in the relevant documents), the Required Holders will have the option to require the redemption of all or a portion of the New Senior Preferred Units in cash in an amount equal to the Redemption Price; *provided*, that such Redemption Price shall not be payable unless the Company shall have first made any required change of control offer pursuant to the indenture governing the New High Yield Notes and purchased all such New High Yield Notes tendered pursuant to such offer (unless otherwise waived by such noteholders); *provided, further* that the Redemption Price shall be paid immediately following the purchase of such tendered New High Yield Notes (if any).

Board Rights

For so long as at least 20% of the New Senior Preferred Units at initial issuance remain outstanding (without any upward adjustment for PIK Units), holders of the New Senior Preferred Units eligible to vote, voting separately as a class, will have the right to designate one (1) director onto the Board.

Protective Provisions

For so long as at least \$35,000,000 of any New Senior Preferred Units remain outstanding, the partnership agreements of Holdings and the Company shall provide, among other things, certain covenants for the benefit of holders of New Senior Preferred Units applicable to the Company and in certain instances Holdings, including, without limitation, (i) limitations on effecting a Change of Control, (ii) amending organizational documents, (iii) issuing certain equity securities, (iv) issuing New Senior Preferred Units, (v) filing for bankruptcy, (vi) non-ordinary course investments, and (vii) limits on incurring certain levels of indebtedness.

Ranking and Liquidation Preference

The New Senior Preferred Units rank senior to any other class or series of the Company interests. Upon a liquidation, dissolution or winding up of Holdings or the Company, each holder of New Senior Preferred Units will be entitled to receive prior and in preference to any distribution of any assets of the Company to the holders of any other class or series of the Company interests, an amount per New Senior Preferred Unit owned by such holder equal to the Redemption Price.

Cash Distributions to Common Units

Commencing with the first full quarter ending after the Issuance Date, subject to compliance with all Quarterly Distribution obligations and so long as (i) the Company has previously redeemed each PIK Unit at the Redemption Price applicable to PIK Units and (ii) the Company's leverage (as to be defined in the relevant documents), but excluding Additional Amounts) is below 7.25x for the first four (4) quarters after the Issuance Date and 7.00x, thereafter ("Company Leverage Threshold"), after giving effect to such distribution, the Company will be permitted to make a distribution of Available Cash to the common units. For the avoidance of doubt, the Company may distribute Available Cash, without limit and in any manner, so long as it is in compliance with clauses (i) and (ii) above.

If the Company pays the Quarterly Distribution in cash, such Quarterly Distribution will be made to the extent of Available Cash.

“Available Cash” will be defined in the definitive documentation in a manner consistent with the existing limited partnership agreement of the Company.

Transfer Rights

Certain transfer restrictions will apply, which restrictions will be further defined in the applicable definitive documents.