

DELL MICHAEL S  
Form 4  
November 02, 2011

**FORM 4**

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

OMB APPROVAL

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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

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
MSD CAPITAL L P

2. Issuer Name and Ticker or Trading Symbol  
Blueknight Energy Partners, L.P.  
[BKEP]

5. Relationship of Reporting Person(s) to Issuer  
  
(Check all applicable)

(Last) (First) (Middle)  
645 FIFTH AVENUE, 21ST FLOOR,  
  
(Street)

3. Date of Earliest Transaction (Month/Day/Year)  
10/31/2011

\_\_\_ Director \_\_\_X\_\_\_ 10% Owner  
\_\_\_ Officer (give title below) \_\_\_ Other (specify below)

NEW YORK, NY 10022

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

6. Individual or Joint/Group Filing(Check Applicable Line)  
\_\_\_ Form filed by One Reporting Person  
\_X\_ Form filed by More than One Reporting Person

(City) (State) (Zip)

**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. Transaction Code (Instr. 8)	4. Securities Acquired (A) 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 Ownership (Instr. 4)		
				(A) or (D)	Code	V	Amount	(D)	Price

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

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SEC 1474 (9-02)

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

1. Title of Derivative	2. Conversion	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if	4. Transaction	5. Number of Derivative Securities Acquired (A) or	6. Date Exercisable and Expiration Date	7. Title Under
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Security (Instr. 3)	or Exercise Price of Derivative Security	any (Month/Day/Year)	Code (Instr. 8)	Disposed of (D) (Instr. 3, 4, and 5)	(Month/Day/Year)	(Instr.)	
			Code V	(A)	(D)	Title	
					Date Exercisable	Expiration Date	
Subscription Rights (right to buy)	\$ 6.5	10/31/2011	X		1,935,842	09/27/2011 10/31/2011	Series A Preferred Units
Series A Preferred Units	\$ 6.5	10/31/2011	X	1,935,842		(4) (4)	Subscription Rights to buy
Total Return Equity Swap	(5) (6) (7)	10/31/2011	J/K	280,950	09/27/2011	10/31/2011	Series A Preferred Units
Total Return Equity Swap	(5) (6) (7)	10/31/2011	J/K	280,950	(5)(6)(7)	(5)(6)(7)	Subscription Rights to buy

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MSD CAPITAL L P 645 FIFTH AVENUE, 21ST FLOOR NEW YORK, NY 10022		X		
MSD Torchlight, L.P. 645 FIFTH AVENUE, 21ST FLOOR NEW YORK, NY 10022		X		
DELL MICHAEL S C/O MSD CAPITAL, L.P. 645 FIFTH AVENUE, 21ST FLOOR NEW YORK, NY 10022		X		

## Signatures

MSD CAPITAL, L.P., By: MSD Capital Management LLC, Its: General Partner, By: /s/ Marc R. Lisker, Name: Marc R. Lisker, Title: Manager and General Counsel 11/02/2011  
 \*\*Signature of Reporting Person Date

MSD TORCHLIGHT, L.P., By: MSD Capital, L.P., Its: General Partner, By: MSD Capital Management LLC, Its: General Partner, By: /s/ Marc R. Lisker, Name: Marc R. Lisker, Title: Manager and General Counsel 11/02/2011  
 \*\*Signature of Reporting Person Date

MICHAEL S. DELL, By: /s/ Marc R. Lisker, Name: Marc R. Lisker, Title: Attorney-in-Fact 11/02/2011

## 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).

This statement is jointly filed by and on behalf of each of MSD Capital, L.P., MSD Torchlight, L.P. and Michael S. Dell. MSD Capital is the general partner of MSD Torchlight and may be deemed to beneficially own securities owned by MSD Torchlight. MSD Capital

(1) Management is the general partner of MSD Capital and may be deemed to beneficially own securities owned by MSD Capital. Michael S. Dell is the controlling member of MSD Capital Management and may be deemed to beneficially own securities owned by MSD Capital Management.

Each reporting person states that neither the filing of this statement nor anything herein shall be deemed an admission that such person is, for purposes of Section 16 of the Act or otherwise, the beneficial owner of any securities covered by this statement. Each reporting person disclaims beneficial ownership of the securities covered by this statement, except to the extent of the pecuniary interest of such person in such securities.

(2)

Each reporting person may be deemed to be a member of a group with respect to the Issuer or securities of the Issuer for purposes of Section 13(d) or 13(g) of the Act. Each reporting person declares that neither the filing of this statement nor anything herein shall be construed as an admission that such person is, for the purposes of Section 13(d) or 13(g) of the Act or any other purpose, a member of a group with respect to the Issuer or securities of the Issuer.

(3)

The Series A Preferred Units are convertible into Common Units of the Issuer at any time on a one-for-one basis and have no expiration date. The terms of the Series A Preferred Units are more fully described in the Fourth Amended and Restated Agreement of Limited Partnership of the Issuer, dated September 14, 2011, attached as Exhibit 3.1 to the Current Report on Form 8-K filed September 14, 2011 by the Issuer with the Securities and Exchange Commission.

(4)

On August 21, 2008, MSD Torchlight entered into a cash-settled total return equity swap ("Total Return Swap") with Citibank, NA New York ("Citibank"). Pursuant to the terms of the Total Return Swap, MSD Torchlight had the right to determine whether the Total Return Swap should also include 280,950 Series A Preferred Units with a reference price of \$6.50. On October 31, 2011, MSD Torchlight notified Citibank of its election to include the 280,950 Series A Preferred Units as part of the Total Return Swap with a reference price of \$6.50.

(5)

Under the terms of the Total Return Swap (i) MSD Torchlight will be obligated to pay to Citibank any negative price performance of the 280,950 Series A Preferred Units subject to the Total Return Swap as of the expiration date of the Total Return Swap, plus interest, and (ii) Citibank will be obligated to pay to MSD Torchlight any positive price performance of the 280,950 Series A Preferred Units subject to the Total Return Swap as of the expiration date of such Total Return Swap. Any dividends that would be payable on 280,950 Series A Preferred Units during the term of the Total Return Swap will be paid to MSD Torchlight.

(6)

All balances will be cash settled at the expiration date of the Total Return Swap. The Total Return Swap expires on August 20, 2018, although MSD Torchlight has the right to terminate and close out the Total Return Swap early if it so chooses. The Total Return Swap does not give MSD Torchlight direct or indirect voting, investment or dispositive control over any securities of the Issuer or require Citibank to acquire, hold vote or dispose of any securities of the Issuer. Accordingly, MSD Torchlight disclaims any beneficial ownership in securities that may be referenced in the Total Return Swap.

(7)

### Remarks:

#### Exhibit Index

Exhibit 24.1 - Power of Attorney (incorporated herein by reference to Exhibit 24.1 to the Schedule 13G relating to the common stock of Atlas Energy, L.P. filed February 22, 2011 by MSD Capital, MSD Energy Investments, L.P. and Michael S. Dell with the Securities and Exchange Commission)

Exhibit 99.1 - Joint Filer Information (furnished herewith)

Exhibit 99.2 - Joint Filing Agreement (furnished herewith)

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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