

Sprague Resources LP
Form SC 13D
March 23, 2017

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

SCHEDULE 13D
Under the Securities Exchange Act of 1934
(Amendment No. 2)*

Sprague Resources LP
(Name of Issuer)
Common Units Representing Limited Partner Interests
(Title of Class of Securities)

849343 108
(CUSIP Number)

Paul A. Scoff
185 International Drive
Portsmouth, NH 03801
(800) 255-1560
(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)

February 16, 2017
(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§ 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box.

Name of Reporting Person

1 Sprague Resources Holdings
LLC

2 Check the appropriate box if a
member of a group*

(a)(b)
3 SEC Use Only
Source of Funds

4 OO
Check if Disclosure of Legal

5 Proceedings is Required
Pursuant to Items 2(d) or 2(e)
Citizenship or Place of
6 Organization

Delaware

Sole Voting Power:

Number
of 0

Share Shared Voting Power:

Beneficially

Owned 12,106,348 common units*

by Sole Dispositive Power:

Each

Reporting

Person Shared Dispositive Power:

With

12,106,348 common units*

Aggregate Amount

Beneficially Owned by each

11 Reporting Person:

12,106,348 common units*

Check if the Aggregate

12 Amount in Row (11) Excludes

Certain Shares

Percent of Class Represented

13 by Amount in Row (11)

56.5%**

Type of Reporting Person

14

HC; OO

* Sprague Resources Holdings LLC also owns all of the incentive distribution rights (which represent the right to receive increasing percentages of quarterly distributions in excess of specified amounts). Sprague Resources

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Holdings LLC may also be deemed to be the indirect beneficial owner of a non-economic general partner interest in Sprague Resources LP.

**Based on a total of 21,411,976 common units outstanding as of March 6, 2017.

1 Name of Reporting Person
Axel Johnson Inc.
Check the appropriate box if a
2 member of a group*
(a)(b)
3 SEC Use Only
Source of Funds
4
OO
Check if Disclosure of Legal
5 Proceedings is Required
Pursuant to Items 2(d) or 2(e)
Citizenship or Place of
6 Organization

Delaware
Sole Voting Power:
Number
of 0
Share
Shared Voting Power:
Beneficially
Owned 12,106,348 common units*
by Sole Dispositive Power:
Each
Reporting
Person
Shared Dispositive Power:
With
12,106,348 common units*
Aggregate Amount
Beneficially Owned by each
11 Reporting Person:

12,106,348 common units*
Check if the Aggregate
12 Amount in Row (11) Excludes
Certain Shares
Percent of Class Represented
13 by Amount in Row (11)

56.5%**
Type of Reporting Person

14 CO
Sprague Resources Holdings LLC is the record holder of 12,106,348 common units. Axel Johnson Inc. may also be
* deemed to be the indirect beneficial owner of (i) all of the incentive distribution rights (which represent the right to
receive increasing percentages of quarterly distributions in excess of specified amounts) and (ii) a non-economic
general partner interest in Sprague Resources LP.

**Based on a total of 21,411,976 common units outstanding as of March 6, 2017.

Name of Reporting Person

- 1 Lexa International Corporation
 Check the appropriate box if a
 2 member of a group*
 (a)(b)
 3 SEC Use Only
 Source of Funds
 4
 OO
 Check if Disclosure of Legal
 5 Proceedings is Required
 Pursuant to Items 2(d) or 2(e)
 Citizenship or Place of
 6 Organization

Delaware

Sole Voting Power:

Number
 of 0

Share Shared Voting Power:

Beneficially

Owned 12,106,348 common units*

by Sole Dispositive Power:

Each

Reporting

Person Shared Dispositive Power:

With

12,106,348 common units*

Aggregate Amount

Beneficially Owned by each

11 Reporting Person:

12,106,348 common units*

Check if the Aggregate

12 Amount in Row (11) Excludes

Certain Shares

Percent of Class Represented

13 by Amount in Row (11)

56.5%**

Type of Reporting Person

14

CO

Sprague Resources Holdings LLC is the record holder of 12,106,348 common units. Lexa International Corporation
 * may also be deemed to be the indirect beneficial owner of (i) all of the incentive distribution rights (which represent
 the right to receive increasing percentages of quarterly distributions in excess of specified amounts) and (ii) a
 non-economic general partner interest in Sprague Resources LP.

**Based on a total of 21,411,976 common units outstanding as of March 6, 2017.

1 Name of Reporting Person
Antonia Ax:son Johnson
2 Check the appropriate box if a
member of a group*
(a)(b)
3 SEC Use Only
Source of Funds
4
OO
Check if Disclosure of Legal
5 Proceedings is Required
Pursuant to Items 2(d) or 2(e)
Citizenship or Place of
6 Organization
Sweden
Sole Voting Power:
Number
of 0
Share
Shared Voting Power:
Beneficially
Owned 12,106,348 common units*
by Sole Dispositive Power:
Each
Reporting
Person
Shared Dispositive Power:
With
12,106,348 common units*
Aggregate Amount
Beneficially Owned by each
11 Reporting Person:
12,106,348 common units*
Check if the Aggregate
12 Amount in Row (11) Excludes
Certain Shares
Percent of Class Represented
13 by Amount in Row (11)
56.5%**
Type of Reporting Person
14 IN

Sprague Resources Holdings LLC is the record holder of 12,106,348 common units. Antonia Ax:son Johnson may also be deemed to be the indirect beneficial owner of (i) all of the incentive distribution rights (which represent the right to receive increasing percentages of quarterly distributions in excess of specified amounts) and (ii) a non-economic general partner interest in Sprague Resources LP.

**Based on a total of 21,411,976 common units outstanding as of March 6, 2017.

SCHEDULE 13D

The reporting persons named in Item 2 below are hereby jointly filing this Amendment No. 2 to Schedule 13D (this "Amendment") because, due to certain affiliates and relationships among the reporting persons, such reporting persons may be deemed to beneficially own some or all of the same securities directly or indirectly acquired from the Partnership (defined below) by one or more of the reporting persons. This Amendment amends and supplements the information provided in the Schedule 13D filed with the Securities and Exchange Commission (the "Commission") on November 12, 2013 (such Schedule 13D, as amended and supplemented by Amendment No. 1, filed on December 12, 2014, the "Original Schedule 13D").

Item 1. Security and Partnership.

No modification is made to Item 1 of the Original Schedule 13D.

Item 2. Identity and Background

Item 2 of the Original Schedule 13D is hereby amended and restated in its entirety as follows:

(a) This Statement is filed by:

- (i) Sprague Resources Holdings LLC, a Delaware limited liability company ("Sprague Holdings");
- (ii) Axel Johnson Inc., a Delaware corporation ("Axel Johnson");
- (iii) Lexa International Corporation, a Delaware corporation ("Lexa"); and
- (iv) Antonia Ax:son Johnson, a citizen of Sweden ("Ms. Johnson" and, together with Sprague Holdings, Axel Johnson and Lexa, the "Reporting Persons").

All disclosures herein with respect to any Reporting Person are made only by such Reporting Person. Any disclosures herein with respect to persons other than the Reporting Persons are made on information and belief after making inquiry to the appropriate party.

Sprague Holdings is a wholly-owned subsidiary of Axel Johnson. Axel Johnson is a wholly-owned subsidiary of Lexa. Lexa, through certain non-U.S. entities, is controlled by Ms. Johnson. Sprague Holdings also owns 100% of the equity interests of Sprague Resources GP LLC, a Delaware limited liability company and the general partner of the Partnership (the "General Partner"), and all of the incentive distribution rights in the Partnership (the "incentive distribution rights").

Sprague Holdings is a limited partner of the Partnership and the record holder of 12,106,348 common units of the Partnership, representing an aggregate 54.4% limited partner interest in the Partnership.

(b) The business address of Sprague Holdings is 185 International Drive, Portsmouth, NH 03801. The business address of Axel Johnson is 155 Spring Street, 6th Floor, New York, NY 10012. The business address of Lexa is 2410 Old Ivy Road, Suite 300, Charlottesville, VA 22903. The business address of Ms. Johnson is c/o Axel Johnson Inc., 155 Spring Street, 6th Floor, New York, NY 10012.

(c) The principal business of:

- (i) Sprague Holdings is to hold equity interests in the Partnership and the General Partner;
- (ii) Axel Johnson is to hold equity interests in Sprague Holdings and other entities;
- (iii) Lexa is to hold equity interests in Axel Johnson and other entities; and
- (iv) Ms. Johnson is to serve as Chairman of Axel Johnson Group.

(d) None of the Reporting Persons has, during the last five years, been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).

(e) None of the Reporting Persons has, during the last five years, been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and, as a result of such proceeding, was or is subject

to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

In accordance with the provisions of General Instruction C to Schedule 13D, certain information concerning the executive officers and directors of the Reporting Persons and persons controlling the Reporting Persons, as applicable (collectively, the "Covered Persons"), required by Item 2 of Schedule 13D is provided on Schedule 1 and is incorporated by reference herein. To the Reporting Persons' knowledge, none of the Covered Persons listed on Schedule 1 as a director or executive officer of Sprague Holdings, Axel Johnson or Lexa has been, during the last five years, (i) convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors), or (ii) a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and, as a result of such proceeding, was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

Item 3. Sources and Amount of Funds or Other Consideration

Item 3 of the Original Schedule 13D is hereby amended by adding the following information:

On February 14, 2017, the 10,071,970 issued and outstanding subordinated units representing limited partner interests in the Issuer, all of which were held by Sprague Holdings, were converted into Common Units on a one-for-one basis, upon the expiration of the subordination period as set forth in the Agreement of Limited Partnership of the Partnership, dated October 30, 2013.

Item 4. Purpose of Transaction

No modification is made to Item 4 of the Original Schedule 13D.

Item 5. Interest in Securities of the Issuer.

Item 5 of the Original Schedule 13D is hereby amended and restated in its entirety as follows:

(a) - (b) The aggregate number and percentage of shares of units beneficially owned by the Reporting Persons on the basis of a total of 21,411,976 units issued and outstanding as of March 6, 2017 are as follows:

Sprague Holdings

- (a) Amount beneficially owned: 12,106,348 units Percentage: 56.5%
- (b) Number of shares to which the Reporting Person has:
 - i. Sole power to vote or to direct the vote: 0
 - ii. Shared power to vote or to direct the vote: 12,106,348 units
 - iii. Sole power to dispose or to direct the disposition of: 0
 - iv. Shared power to dispose or to direct the disposition of: 12,106,348 units

Axel Johnson

- (a) Amount beneficially owned: 12,106,348 units Percentage: 56.5%
- (b) Number of shares to which the Reporting Person has:
 - i. Sole power to vote or to direct the vote: 0
 - ii. Shared power to vote or to direct the vote: 12,106,348 units
 - iii. Sole power to dispose or to direct the disposition of: 0
 - iv. Shared power to dispose or to direct the disposition of: 12,106,348 units

Lexa

- (a) Amount beneficially owned: 12,106,348 units Percentage: 56.5%
- (b) Number of shares to which the Reporting Person has:
 - i. Sole power to vote or to direct the vote: 0
 - ii. Shared power to vote or to direct the vote: 12,106,348 units
 - iii. Sole power to dispose or to direct the disposition of: 0
 - iv. Shared power to dispose or to direct the disposition of: 12,106,348 units

Ms. Johnson

- (a) Amount beneficially owned: 12,106,348 units Percentage: 56.5%
- (b) Number of shares to which the Reporting Person has:
 - i. Sole power to vote or to direct the vote: 0
 - ii. Shared power to vote or to direct the vote: 12,106,348 units
 - iii. Sole power to dispose or to direct the disposition of: 0
 - iv. Shared power to dispose or to direct the disposition of: 12,106,348 units
- (c) Except as described in Item 3 above or elsewhere in this Statement, none of the Reporting Persons or, to the Reporting Persons' knowledge, the Covered Persons has effected any transactions in the common units during the past 60 days.
- (d) The Reporting Persons have the right to receive distributions from, and the proceeds from the sale of, the respective common units reported by such persons on the cover pages of this Statement and in this Item 5. Except for the foregoing and the cash distributions described in Item 6 below, no other person is known by the Reporting Persons to have the right to receive or the power to direct the receipt of distributions from, or the proceeds from the sale of, common units beneficially owned by the Reporting Persons or, to the Reporting Persons' knowledge, the Covered Persons.
- (e) Not applicable.

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer.

No modification is made to Item 6 of the Original Schedule 13D.

Item 7. Material to be Filed as Exhibits.

Exhibit A Joint Filing Agreement (attached as Exhibit A to the Schedule 13D of Sprague Resources LP (CUSIP No. 849343 108), filed with the Commission on December 12, 2014 and incorporated herein by reference).

Exhibit B First Amended and Restated Agreement of Limited Partnership of Sprague Resources LP (attached as Exhibit 3.1 to the Partnership's Current Report on Form 8-K (File No. 001-36137) filed with the Commission on November 5, 2013 and incorporated herein by reference).

Exhibit C Amended and Restated Limited Liability Company Agreement of Sprague Resources GP LLC (attached as Exhibit 3.2 to the Partnership's Current Report on Form 8-K (File No. 001-36137) filed with the Commission on November 5, 2013 and incorporated herein by reference).

Exhibit D Contribution, Conveyance and Assumption Agreement by and among Sprague Resources LP, Sprague Resources GP LLC, Axel Johnson Inc., Sprague International Properties LLC, Sprague Canadian

Properties LLC, Sprague Resources Holdings LLC, Sprague Massachusetts Properties LLC and Sprague Operating Resources LLC, dated October 30, 2013. (attached as Exhibit 10.2 to the Partnership's Current Report on Form 8-K (File No. 001-36137) filed with the Commission on November 5, 2013 and incorporated herein by reference).

Exhibit E Underwriting Agreement, dated as of October 24, 2013, by and among Sprague Resources LP, Sprague Resources GP LLC, Sprague Operating Resources LLC and Sprague Resources Holdings LLC and Barclays Capital Inc., J.P. Morgan Securities LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated, for themselves and as representatives of the several underwriters named therein (attached as Exhibit 1.1 to the Partnership's Current Report on Form 8-K (File No. 001-36137) filed with the Commission on October 30, 2013 and incorporated herein by reference).

Exhibit F Power of Attorney for Axel Johnson Inc. dated as of November 7, 2013 (attached as Exhibit F to the Schedule 13D of Sprague Resources LP (CUSIP No. 849343 108), filed with the Commission on November 12, 2013 and incorporated herein by reference).

Exhibit G Power of Attorney for Lexa International Corporation dated as of November 7, 2013 (attached as Exhibit G to the Schedule 13D of Sprague Resources LP (CUSIP No. 849343 108), filed with the Commission on November 12, 2013 and incorporated herein by reference).

Exhibit H Power of Attorney for Antonia Ax:son Johnson dated as of February 28, 2012 (attached as Exhibit 24 to the Form 3 of Sprague Resources Holdings LLC and Antonia Ax:son Johnson (File No. 001-36137) filed with the Commission on October 16, 2013 and incorporated herein by reference).

Exhibit I Purchase Agreement, dated as of December 9, 2014, by and between Sprague Resources ULC, Sprague International Properties LLC, Sprague Canadian Properties LLC and Axel Johnson Inc. (attached as Exhibit 2.1 to the Partnership's Current Report on Form 8-K (File No. 001-36137) filed with the Commission on December 12, 2014 and incorporated herein by reference).

Exhibit J Consideration Agreement, dated as of December 9, 2014, by and between Sprague Resources LP and Sprague Resources ULC (attached as Exhibit 2.2 to the Partnership's Current Report on Form 8-K (File No. 001-36137) filed with the Commission on December 12, 2014 and incorporated herein by reference).

SIGNATURES

After reasonable inquiry and to the best of their knowledge and belief, the undersigned certify that the information set forth in this statement is true, complete and correct.

Date: March 23, 2017

SPRAGUE RESOURCES HOLDINGS LLC

By: /s/ Paul A. Scoff

Name: Paul A. Scoff

Title: Vice President, General Counsel, Chief
Compliance Officer and Secretary

AXEL JOHNSON INC.

By: /s/ Paul A. Scoff

Name: Paul A. Scoff

Title: Attorney-in-fact

LEXA INTERNATIONAL CORPORATION

By: /s/ Paul A. Scoff

Name: Paul A. Scoff

Title: Attorney-in-fact

ANTONIA AX:SON JOHNSON

By: /s/ Paul A. Scoff

Name: Paul A. Scoff

Title: Attorney-in-fact