

STAR GAS FINANCE CO
Form 424B3
January 12, 2011
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Registration No. 333-171455
333-171455-01

PROSPECTUS

STAR GAS PARTNERS, L.P.
STAR GAS FINANCE COMPANY
OFFER TO EXCHANGE

\$125,000,000 principal amount of their 8.875% Senior Notes due 2017
which have been registered under the Securities Act,
for any and all of their outstanding 8.875% Senior Notes due 2017

We are offering to exchange our 8.875% Senior Notes due 2017 (the "exchange notes") for our currently outstanding 8.875% Senior Notes due 2017 (the "private notes"). The exchange notes are substantially identical to the private notes, except that the exchange notes have been registered under the federal securities laws and will not bear any legend restricting their transfer. The exchange notes will represent the same debt as the private notes and we will issue the exchange notes under the same indenture. We refer to the private notes and the exchange notes collectively in this prospectus as the "notes".

The principal features of the exchange offer are as follows:

The notes are the senior unsecured obligations of Star Gas Partners, L.P. and Star Gas Finance Company, our wholly owned subsidiary that has no material assets and was formed for the sole purpose of being a corporate co-issuer of some of our indebtedness, including the notes.

The exchange offer expires at 5:00 p.m., New York City time, on February 16, 2011, unless extended.

We will exchange all private notes that are validly tendered and not properly withdrawn prior to the expiration of the exchange offer.

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You may withdraw tenders of private notes at any time before the exchange offer expires.

The exchange of private notes for exchange notes pursuant to the exchange offer will not be a taxable event for U.S. federal income tax purposes.

We will not receive any proceeds from the exchange offer.

We do not intend to apply for listing of the exchange notes on any securities exchange or automated quotation system. Broker-dealers receiving exchange notes in exchange for private notes acquired for their own account through market-making or other trading activities must deliver a prospectus in any resale of the exchange notes.

Investing in the exchange notes involves risks. See Risk Factors beginning on page 13 of this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the notes or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is January 12, 2011.

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We have not authorized any dealer, salesman or other person to give any information or to make any representation other than those contained or incorporated by reference in this prospectus. You should not rely upon any information or representation not contained or incorporated by reference in this prospectus as if we had authorized it. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities other than the registered securities to which it relates, nor does this prospectus constitute an offer to sell or a solicitation of an offer to buy securities in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction.

The information in this prospectus is current only as of the date on its cover and may change after that date.

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WHERE YOU CAN FIND MORE INFORMATION

Star Gas Partners, L.P. and its wholly-owned subsidiary, Star Gas Finance Company, have filed with the U.S. Securities and Exchange Commission (the "SEC") a registration statement on Form S-4 (including all amendments, exhibits, annexes and schedules, the "exchange offer registration statement") pursuant to the Securities Act of 1933, as amended, and the rules and regulations thereunder (collectively, the "Securities Act") covering the exchange notes being offered. This prospectus does not contain all the information in the exchange offer registration statement. For further information with respect to Star Gas Partners, L.P. and its wholly-owned subsidiary, Star Gas Finance Company, and the exchange offer, reference is made to the exchange offer registration statement. Statements made in this prospectus as to the contents of any contract, agreement or other documents referred to are not necessarily complete. For a more complete understanding and description of each contract, agreement or other document filed as an exhibit to the exchange offer registration statement, we encourage you to read the documents contained in the exhibits.

In addition, we file annual, quarterly and current reports and other information with the SEC. You may read and copy any document we file with the SEC at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. Our SEC filings are also available to the public at the SEC's web site at <http://www.sec.gov>. You may also obtain copies of these filings and other information at the offices of the New York Stock Exchange located at 11 Wall Street, New York, NY 10005.

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INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The SEC allows us to incorporate by reference the information we file with it, which means that we can disclose important information to you by referring you to documents containing that information. The information incorporated by reference is considered to be part of this prospectus, and later information that we file with the SEC will automatically update and supersede this information. We incorporate by reference the documents listed below and any future filings we make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities and Exchange Act of 1934, as amended (the Exchange Act) (other than information determined to be furnished and not filed with the SEC) until our offering is completed or terminated.

(a) Our Annual Report on Form 10-K (Fiscal 2010 Form 10-K) for the fiscal year ended September 30, 2010; and

(b) Our Current Reports on Form 8-K filed on October 26, 2010, November 9, 2010, November 12, 2010 (two Form 8-K s), November 16, 2010 and December 9, 2010.

Any statement contained herein, or in any documents incorporated or deemed to be incorporated by reference herein, shall be deemed to be modified or superseded for the purpose of this prospectus to the extent that a subsequent statement contained herein or in any subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

You may request a copy of these filings, at no cost, by writing or telephoning us at:

Star Gas Partners, L.P.

2187 Atlantic Street

P.O. Box 120011

Stamford, CT 06912-0011

Attention: Chief Financial Officer

Telephone: (203) 328-7300

You may also obtain copies of these filings, at no cost, by accessing our website at www.star-gas.com; however, the information found on our website is not considered part of this prospectus. To obtain timely delivery of any copies of filings requested, please write or telephone no later than February 11, 2011, five days prior to the expiration of the exchange offer.

This exchange offer is not being made to, nor will we accept surrenders for exchange from, holders of private notes in any jurisdiction in which this exchange offer or the acceptance thereof would not be in compliance with the securities or blue sky laws of such jurisdiction.

DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

Many of the statements contained in this prospectus, including, without limitation, statements regarding our business strategy, plans and objectives of our management for future operations are forward-looking. These statements use forward-looking words, such as anticipate, continue, expect, may, will, estimate, believe or other similar words. These statements discuss future expectations or contain projections. Although we believe that the expectations reflected in the forward-looking statements are reasonable, actual results may differ from those suggested by the forward-looking statements for various reasons, including:

the effect of weather conditions on our financial performance;

the price and supply of home heating oil;

the consumption patterns of our customers;

our ability to obtain satisfactory gross profit margins;

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our ability to obtain new customers and retain existing customers;

our ability to make strategic acquisitions;

the impact of litigation;

our ability to contract for our current and future supply needs;

natural gas conversions;

future union relations and the outcome of current and future union negotiations;

the impact of future governmental regulation, including environmental, health and safety regulations;

the ability to attract and retain employees;

customer creditworthiness; counterparty creditworthiness;

marketing plans;

general economic conditions; and

new technology.

When considering forward-looking statements, you should keep in mind the risk factors referred to in this prospectus. The risk factors could cause our actual results to differ materially from those contained in any forward-looking statement. We disclaim any obligation to update the above list or to announce publicly the result of any revisions to any of the forward-looking statements to reflect future events or developments.

You should consider the above information when reading any forward-looking statement in this prospectus.

MARKET AND INDUSTRY DATA

Market and industry data and forecasts used in this prospectus have been obtained from independent industry sources as well as from research reports prepared for other purposes. Although we believe these third-party sources to be reliable, we have not independently verified the data obtained from these sources and we cannot assure you of the accuracy or completeness of the data. Forecasts and other forward-looking information obtained from these sources are subject to the same qualifications and uncertainties as the other forward-looking statements in this prospectus.

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PROSPECTUS SUMMARY

*This summary highlights information contained elsewhere in this prospectus. This summary may not contain all of the information that is important to you, and it is qualified in its entirety by the more detailed information and financial statements, including the notes to those financial statements, that are part of the reports that we file with the SEC and that are incorporated by reference in this prospectus. Please see the section entitled *Where You Can Find More Information*. Before making an investment decision, we encourage you to consider the information contained in and incorporated by reference in this entire prospectus, including the risks discussed under the heading *Risk Factors* beginning on page 13 of this prospectus.*

*Except in the *Description of the Exchange Notes* and unless the context requires otherwise, references to *Star Gas Partners*, *we*, *us* and *our* refer to *Star Gas Partners, L.P.*, and its subsidiaries, including *Star Gas Finance Company*.*

Our Business

Our business

We are a home heating oil distributor and service provider that principally provides services to residential and commercial customers in the Northeast and Mid-Atlantic regions to heat their homes and buildings. As of September 30, 2010, we sold home heating oil to approximately 404,000 full service residential and commercial/industrial home heating oil customers and propane to approximately 10,000 propane customers. We believe we are the largest retail distributor of home heating oil in the United States, based upon volume. We also sell home heating oil, gasoline and diesel fuel to approximately 35,000 customers on a delivery only basis. We install, maintain, and repair heating and air conditioning equipment for our customers and provide ancillary home services, including home security and plumbing, to approximately 11,000 customers. During the fiscal year ended September 30, 2010, total sales were comprised approximately 77% from sales of home heating oil; 15% from the installation and repair of heating and air conditioning equipment and ancillary services; and 8% from the sale of other petroleum products. We provide home heating equipment repair service 24 hours a day, seven days a week, 52 weeks a year. These services are an integral part of our heating oil business, and are intended to maximize customer satisfaction and loyalty.

We conduct our business through an operating subsidiary, Petro Holdings, Inc., utilizing over 30 local brand names such as Petro Heating & Air Conditioning Service, Meenan Oil, Hoffman Energy, and Wood's Heating Service, to name a few. We offer several pricing alternatives to our residential customers, including a variable price (market based) option and a price-protected option, the latter of which either sets the maximum price or fixes the price that a customer will pay. Approximately 97% of our deliveries are automatically scheduled based on ongoing weather conditions. In addition, we offer a smart pay budget payment plan in which homeowners' estimated annual oil deliveries and service billings are paid for in a series of equal monthly installments. We use derivative instruments on a daily basis to mitigate our exposure to market risk associated with our price-protected offerings and the storing of our physical home heating oil inventory. Given our size, we are able to realize benefits of scale and provide consistent, strong customer service.

Investment highlights

High percentage of sales to stable, higher margin residential customers; non-discretionary products offered. Our heating oil operations concentrate on sales to residential customers who tend to generate higher margins and are generally more stable purchasers than commercial or industrial customers. Overall residential demand is not greatly affected by general economic conditions, as space heating is considered a nondiscretionary item by most customers. For the fiscal year ended September 30, 2010, sales to residential customers represented 89% of our heating oil volume and 93% of heating oil gross profits.

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Ability to consistently improve margins. Since 2005, we have taken measures to improve our profitability per account by constantly monitoring and, wherever possible increasing, our margins per gallon, even if this meant shedding unprofitable commercial and residential accounts. This focus on margins per gallon rather than just volume has served as one of the main drivers of increased gross profit. Volume decreased from 487.3 million gallons sold in 2005 to 308.0 million gallons sold in 2010 while gross profit per gallon sold increased from 56.6 cents in 2005 to 1.00 dollar in 2010. Additionally, Adjusted EBITDA per gallon in this same period increased from 0.2 cents per gallon to 22.3 cents per gallon. (Note that 4.7 cents of this 22.1 cents improvement was due to the non-reoccurrence of \$22.9 million of general and administrative expenses that reduced the 2005 Adjusted EBITDA.)

Limited exposure to commodity price changes. We price our products on a pass-through basis. On average during the heating season, we purchase heating oil 20 days in advance of sale to the consumer at market prices. For our price-protected customers, we enter into forward contracts or market hedges in order to maintain our margins and minimize our exposure to commodity price fluctuations. As of September 30, 2010, approximately 44.2% of our residential home heating oil customers were on a price-protected plan.

Significant economies of scale and operating efficiencies. We believe we are the largest retail distributor of home heating oil in the United States, based upon volume. Our size and the geographic scope of our operations permit us to achieve economies of scale in purchasing, operations, accounting, credit, and collections.

Track record of disciplined acquisition and integration. The heating oil distribution industry is highly fragmented, with thousands of market participants, including many mom and pop private enterprises. We have a track record of purchasing such family-owned or entrepreneurial operations where existing owners are seeking an exit strategy and where we can immediately incorporate the operations into our infrastructure. We have also determined that the best way to ensure continued optimal customer service is to keep most operating personnel and existing brands, while achieving cost savings within the administrative infrastructure. We believe that the best acquisition is one in which the end user a valued home heating oil customer has no knowledge that a change in ownership has taken place.

Experienced management team. We have an experienced and talented management team, representing a balance of diversified experience, skills and orientations. Most of our senior managers have more than 26 years of experience in the heating oil industry. Our success in attracting, motivating, and retaining key management is the result of a performance and profit-based incentive plan and an entrepreneurial work environment.

Business strategy

Our business strategy is to increase operating profits and cash flow by conservatively managing our operations and growing our customer base as a leading retail distributor of home heating oil and ancillary services. The key elements of this strategy include the following:

Deliver superior customer service. We are completely focused on providing the best customer service in our regions, with the aim of maximizing customer retention. To engage our employees and enhance their ability to provide superior customer service (and reduce gross customer losses), we require all employees to go through appropriate training supplemented by customer service monitoring. Our Director of Quality Assurance is responsible for customer service evaluation and directs teams that conduct district quality assurance assessments. These assessments are focused on improving our performance in customer relations and retention to drive customer service performance to the best level possible.

Continue to focus on operating efficiencies. We constantly work to reduce operating costs and streamline our operations through the elimination of redundant systems and appropriate reductions in overhead. By spreading certain administrative costs over a growing customer base, we believe we can continue to generate strong financial results.

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Pursue select acquisitions. Our senior management team has developed expertise in identifying acquisition opportunities and integrating acquired customers into our operations. Through our acquisitions, we have been able to increase our presence in some of our existing geographic markets and selectively expand into new markets, while maintaining or improving our financial results. Our acquisition strategy has enabled us to achieve our current market position and offers us the ability to continue to achieve operating efficiencies and economies of scale.

Broaden products and services. We sell related and complementary products and services, such as air conditioning systems, plumbing services and home security systems, in order to leverage our organizational structure and improve our sales penetration within the existing customer base. We continue to increase the quality and breadth of our service offerings and believe that these actions will further enhance our position with existing and potential customers, allowing us to maintain or improve customer retention.

Recent developments

From April 1 to September 30, 2010 (after the heating season), we completed five acquisitions and added approximately 56,100 home heating oil, propane and security accounts. While these acquisitions provided additional revenues in fiscal 2010, our profitability measures such as operating income and net income, were adversely impacted as product costs and operating expenses from these acquisitions have exceeded revenues, which is normal for this non-heating period.

Structure

We are a master limited partnership, which at September 30, 2010, had outstanding approximately 67.1 million common units (NYSE: SGU) representing a 99.5% limited partner interest in us, and 0.3 million general partner units, representing a 0.5% general partner interest in us.

We are organized as follows:

Our general partner is Kestrel Heat, LLC, a Delaware limited liability company (Kestrel Heat or the general partner). The Board of Directors of Kestrel Heat is appointed by its sole member, Kestrel Energy Partners, LLC, a Delaware limited liability company (Kestrel).

Our operations are conducted through Petro Holdings, Inc. (a Minnesota corporation that is our indirect wholly owned subsidiary) and its subsidiaries.

Star Gas Finance Company is our 100% owned subsidiary. Star Gas Finance Company serves as the co-issuer, jointly and severally with us, of our \$125.0 million 8.875% Senior Notes, which are due in 2017. We are dependent on distributions, including inter-company interest payments, from our subsidiaries to service our debt obligations. The distributions from our subsidiaries are not guaranteed and are subject to certain loan restrictions. Star Gas Finance Company has nominal assets and conducts no business operations.

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Partnership structure

The following chart summarizes our partnership structure as of September 30, 2010.

For additional information about our business, operations and financial results, see the documents listed under [Incorporation of Certain Documents by Reference](#).

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The Exchange Offer

The following summary contains basic information about the exchange offer and the exchange notes. It does not contain all the information that may be important to you. For a complete understanding of the exchange notes, please refer to the sections of this prospectus entitled "The Exchange Offer" and "Description of the Exchange Notes."

The Exchange Offer

We are offering to exchange an aggregate of \$125.0 million principal amount of exchange notes for \$125.0 million principal amount of private notes that are properly tendered and accepted. You may tender outstanding private notes only in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof. We will issue the exchange notes on or promptly after the exchange offer expires.

The form and terms of the exchange notes will be substantially identical to those of the private notes, except that the exchange notes will have been registered under the Securities Act. Therefore, the exchange notes will not be subject to certain contractual transfer restrictions, registration rights and certain additional interest provisions applicable to the private notes prior to the consummation of the exchange offer.

Resales

Based on an interpretation by the staff of the SEC set forth in no-action letters issued to third parties, we believe that the exchange notes issued pursuant to the exchange offer in exchange for private notes may be offered for resale, resold and otherwise transferred by you without compliance with the registration and prospectus delivery provisions of the Securities Act, provided that you:

are acquiring the exchange notes in the ordinary course of business;

have not engaged in, do not intend to engage in and have no arrangement or understanding with any person or entity, including any of our affiliates, to participate in, a distribution of the exchange notes; and

are not our affiliate (as defined under Rule 405 of the Securities Act).

In addition, each participating broker-dealer that receives registered notes for its own account pursuant to the exchange offer in exchange for private notes that were acquired as a result of market-making or other trading activity must acknowledge that it will deliver a prospectus in connection with any resale of the exchange notes. For more information, see Plan of Distribution.

Any holder of unregistered notes, including any broker-dealer, who

is our affiliate,

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does not acquire the registered notes in the ordinary course of its business, or

tenders in the exchange offer with the intention to participate, or for the purpose of participating, in a distribution of registered

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notes, cannot rely on the position of the staff of the SEC expressed in Exxon Capital Holdings Corporation, Morgan Stanley & Co., Incorporated or similar no-action letters and, in the absence of an exemption, must comply with the registration and prospectus delivery requirements of the Securities Act in connection with the resale of the exchange notes.

Expiration Date

The exchange offer will expire at 5:00 p.m., New York City time, on February 16, 2011, unless extended, in which case the expiration date will mean the latest date and time to which we extend the exchange offer.

Conditions to the Exchange Offer

The exchange offer is subject to customary conditions, including that it not violate applicable law or any applicable interpretation of the staff of the SEC. The exchange offer is not conditioned upon any minimum principal amount of private notes being tendered for exchange.

Procedures for Tendering Private Notes

If you wish to tender your private notes for exchange notes pursuant to the exchange offer you must transmit to Union Bank, N.A., as exchange agent, on or before the expiration date, either:

a computer generated message transmitted through The Depository Trust Company's Automated Tender Offer Program system and received by the exchange agent and forming a part of a confirmation of book-entry transfer in which you acknowledge and agree to be bound by the terms of the letter of transmittal; or

a properly completed and duly executed letter of transmittal, which accompanies this prospectus, or a facsimile of the letter of transmittal, together with your private notes and any other required documentation, to the exchange agent at its address listed in this prospectus and on the front cover of the letter of transmittal.

If you cannot satisfy either of these procedures on a timely basis, then you should comply with the guaranteed delivery procedures described below. By executing the letter of transmittal, you will make the representations to us described under "The Exchange Offer Procedures for Tendering."

Special Procedures for Beneficial Owners

If you are a beneficial owner whose private notes are registered in the name of a broker, dealer, commercial bank, trust company or other nominee and you wish to tender your private notes in the exchange offer, you should contact the registered holder promptly and instruct the registered holder to tender on your behalf. If you wish to tender on your own behalf, you must either:

make appropriate arrangements to register ownership of the private notes in your name; or

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obtain a properly completed bond power from the registered holder before completing and executing the letter of transmittal and delivering your private notes.

Guaranteed Delivery Procedures

If you wish to tender your private notes and time will not permit the documents required by the letter of transmittal to reach the exchange agent before the expiration date, or the procedure for book-entry transfer cannot be completed on a timely basis, you must tender your private notes according to the guaranteed delivery procedures described in this prospectus under the heading **The Exchange Offer** **Guaranteed Delivery Procedures**.

Acceptance of the Private Notes and Delivery of the Exchange Notes

Subject to the satisfaction or waiver of the conditions to the exchange offer, we will accept for exchange any and all private notes that are validly tendered in the exchange offer and not properly withdrawn before 5:00 p.m., New York City time, on the expiration date.

Withdrawal Rights

You may withdraw the tender of your private notes at any time before 5:00 p.m., New York City time, on the expiration date, by complying with the procedures for withdrawal described in this prospectus under the heading **The Exchange Offer** **Withdrawal Rights**.

Consequences of Failure to Exchange

If you do not exchange your private notes for exchange notes, you will continue to be subject to the restrictions on transfer provided in the private notes and in the indenture governing the private notes. In general, the private notes may not be offered or sold, unless registered under the Securities Act, except pursuant to an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities laws. We do not currently plan to register the private notes under the Securities Act.

Material U.S. Federal Income Tax Consequences

The exchange of notes will not be a taxable event for U.S. federal income tax purposes. For a discussion of material U.S. federal income tax considerations relating to the exchange of notes, see **Material U.S. Federal Income Tax Consequences**.

Fees and Expenses

We will bear the expenses related to the exchange offer. See **The Exchange Offer** **Fees and Expenses**.

Use of Proceeds

We will not receive any cash proceeds from the exchange offer. We are making this exchange offer solely to satisfy our obligations under our registration rights agreement.

Exchange Agent

Union Bank, N.A., the trustee under the indenture governing the notes, is serving as the exchange agent.

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Terms of the Exchange Notes

The summary below describes the principal terms of the exchange notes. The financial terms and covenants of the exchange notes are the same as the private notes. Some of the terms and conditions described below are subject to important limitations and exceptions. You should carefully read the Description of the Exchange Notes section of this prospectus for a more detailed description of the exchange notes

Issuers	Star Gas Partners, L.P. and Star Gas Finance Company will be the co-issuers of the exchange notes.
Notes offered	\$125 million in aggregate principal amount of 8.875% Senior Notes due 2017.
Maturity	December 1, 2017.
Interest payment dates	June 1 and December 1 of each year, beginning on June 1, 2011. Interest will accrue from November 16, 2010.
Ranking	<p>The exchange notes will be our general senior unsecured obligations and will rank:</p> <p>effectively junior to all of our future senior secured indebtedness;</p> <p>structurally junior to all liabilities of our subsidiaries, including any of their borrowings under bank credit facilities and trade payables;</p> <p>equally with all of our future unsecured senior indebtedness; and</p> <p>senior to any of our future indebtedness that expressly provides it is subordinated to the exchange notes.</p> <p>As of September 30, 2010, on a pro forma basis after giving effect to the offering of the private notes which was completed on November 16, 2010 and the application of the proceeds thereof, the exchange notes would have ranked structurally junior to \$215.1 million of indebtedness and other liabilities of our subsidiaries.</p>
Optional redemption	<p>We may redeem any of the exchange notes at any time on or after December 1, 2014 in whole or in part, in cash at the redemption prices described in the section entitled Description of Existing Notes optional redemption, plus accrued and unpaid interest to the date of redemption.</p> <p>In addition, on or before December 1, 2013 we may redeem up to 35% of the aggregate principal amount of exchange notes originally issued at a redemption price of 108.875%</p>

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with the proceeds of public or specified private equity offerings. We may make that redemption only if, after the redemption, at least 65% of the aggregate principal amount of exchange notes originally issued remains outstanding.

At any time prior to December 1, 2014, we may also redeem some or all of the exchange notes at a price equal to 100% of the principal amount of the exchange notes, plus accrued and unpaid interest, plus an applicable make-whole premium.

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Change of control

If a change of control occurs, we will be required to make an offer to repurchase the exchange notes. The repurchase price will equal 101% of the principal amount of the exchange notes on the date of repurchase, plus accrued and unpaid interest to the date of repurchase. For more details, see the section entitled "Description of Exchange Notes - Change of Control." We cannot assure you that upon a change of control we will have sufficient funds to repurchase any of the exchange notes.

Asset sales

Under specified circumstances, we may be required to make an offer to repurchase a portion of the exchange notes in the event of specified asset sales by us or our subsidiaries. For more details, see the section entitled "Description of Exchange Notes - Asset Sales."

Certain covenants

We will issue the exchange notes under an indenture with Union Bank, N.A. acting as trustee. The indenture contains covenants that limit our ability and the ability of specified subsidiaries of ours to, among other things:

incur, assume or guarantee additional indebtedness;

make distributions to our unitholders;

purchase or redeem our outstanding equity interests;

make specified investments;

create liens;

sell assets;

engage in specified transactions with affiliates;

restrict the ability of our subsidiaries to make specified payments, loans, guarantees and transfers of assets or interests in assets;

engage in sale-leaseback transactions; and

effect a merger or consolidation with or into other companies or a sale of all or substantially all of our properties or assets.

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These limitations are subject to a number of important qualifications and exceptions. For more details, see the section entitled Description of Exchange Notes.

No public market

The exchange notes are new securities for which there is no market, and a liquid market for the exchange notes may not develop or be maintained.

Risk factors

You should consider carefully all the information in this offering memorandum and in particular the section titled Risk Factors for an explanation of the risks of investing in the notes.

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The following table sets forth our summary consolidated financial information that has been derived from our audited consolidated statements of operations and cash flows for our business for each of the years ended September 30, 2010, 2009 and 2008. You should read this financial information in conjunction with Selected Historical Financial and Operating Data included in this prospectus and the Management's Discussion and Analysis of Financial Conditions and Results of Operations and our historical Consolidated Financial Statements and notes that are incorporated by reference in this prospectus. The information set forth below is not necessarily indicative of our future results.

(in thousands, except per unit data)	Fiscal year ended September 30,		
	2010(a)	2009	2008
Statement of Operations Data:			
Sales	\$ 1,212,776	\$ 1,206,813	\$ 1,543,093
Costs and expenses:			
Cost of sales	904,047	875,755	1,257,592
(Increase) decrease in the fair value of derivative instruments	(5,622)	(13,690)	25,467
Depreciation and amortization expenses	15,745	19,406	26,784
Delivery, branch, general and administrative expenses	240,022	245,220	229,945
Operating income	58,584	80,122	3,305
Interest expense, net	10,820	13,637	13,808
Amortization of debt issuance costs	2,680	2,750	2,339
(Gain) loss on redemption of debt	1,132	(9,706)	
Income (loss) before income taxes	43,952	73,441	(12,842)
Income tax expense (benefit)	15,632	(57,597)(b)	566
Net income (loss)	\$ 28,320	\$ 131,038	\$ (13,408)
Summary Cash Flow Data:			
Net Cash provided by operating activities	\$ 44,429	\$ 78,455	\$ 71,555
Net Cash used in investing activities	\$ (73,956)	\$ (7,568)	\$ (5,488)
Net Cash used in financing activities	\$ (104,571)	\$ (54,535)	\$ (145)

Other Data: