

CROSSTEX ENERGY LP

Form 3

January 19, 2010

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

OMB
Number: 3235-0104Expires: January 31,
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burden hours per
response... 0.5**INITIAL STATEMENT OF 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 *

GSO Crosstex Holdings LLC

(Last)

(First)

(Middle)

2. Date of Event Requiring
Statement

(Month/Day/Year)

01/06/2010

3. Issuer Name **and** Ticker or Trading Symbol
CROSSTEX ENERGY LP [XTEX]4. Relationship of Reporting
Person(s) to Issuer5. If Amendment, Date Original
Filed(Month/Day/Year)C/O GSO CAPITAL
PARTNERS LP, 280 PARK
AVENUE

(Street)

(Check all applicable)

____ Director ____X____ 10% Owner
____ Officer ____ Other
(give title below) (specify below)

NEW YORK, NY 10017

(City)

(State)

(Zip)

6. Individual or Joint/Group
Filing(Check Applicable Line)
____ Form filed by One Reporting
Person
X Form filed by More than One
Reporting Person**Table I - Non-Derivative Securities Beneficially Owned**1. Title of Security
(Instr. 4)2. Amount of Securities
Beneficially Owned
(Instr. 4)3. Ownership
Form:
Direct (D)
or Indirect
(I)
(Instr. 5)4. Nature of Indirect Beneficial
Ownership
(Instr. 5)Reminder: Report on a separate line for each class of securities beneficially
owned directly or indirectly.

SEC 1473 (7-02)

**Persons who respond to the collection of
information contained in this form are not
required to respond unless the form displays a
currently valid OMB control number.****Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**1. Title of Derivative Security
(Instr. 4)2. Date Exercisable and
Expiration Date
(Month/Day/Year)Date
ExercisableExpiration
Date3. Title and Amount of
Securities Underlying
Derivative Security
(Instr. 4)

Title

Amount or
Number of4. Conversion
or Exercise
Price of
Derivative
Security5. Ownership
Form of
Derivative
Security:
Direct (D)6. Nature of Indirect
Beneficial Ownership
(Instr. 5)

				Shares		or Indirect (I) (Instr. 5)	
Series A Convertible Preferred Units <u>(1)</u> <u>(2)</u>	Â <u>(3)</u>	Â <u>(4)</u>	Common Units <u>(1)</u> <u>(2)</u>	14,705,882	\$ 0 <u>(1)</u> <u>(2)</u>	I	See footnotes <u>(1)</u> <u>(2)</u> <u>(5)</u> <u>(6)</u> <u>(7)</u> <u>(8)</u> <u>(9)</u>

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
GSO Crosstex Holdings LLC C/O GSO CAPITAL PARTNERS LP 280 PARK AVENUE NEW YORK, NY 10017	Â	Â X	Â	Â
Blackstone / GSO Capital Solutions Fund LP C/O GSO CAPITAL PARTNERS LP 280 PARK AVENUE, 11TH FLOOR NEW YORK, NY 10017	Â	Â X	Â	Â
Blackstone / GSO Capital Solutions Associates LLC C/O GSO CAPITAL PARTNERS LP 280 PARK AVENUE, 11TH FLOOR NEW YORK, NY 10017	Â	Â X	Â	Â
GSO Holdings I LLC C/O THE BLACKSTONE GROUP 345 PARK AVENUE NEW YORK, NY 10017	Â	Â X	Â	Â
Blackstone Holdings I L.P. C/O GSO CAPITAL PARTNERS LP 280 PARK AVENUE, 11TH FLOOR NEW YORK, NY 10017	Â	Â X	Â	Â
Goodman Bennett J C/O GSO CAPITAL PARTNERS LP 280 PARK AVENUE, 11TH FLOOR NEW YORK, NY 10017	Â	Â X	Â	Â
Smith J Albert III C/O GSO CAPITAL PARTNERS LP 280 PARK AVENUE, 11TH FLOOR NEW YORK, NY 10017	Â	Â X	Â	Â
Ostrover Douglas I C/O GSO CAPITAL PARTNERS LP 280 PARK AVENUE, 11TH FLOOR NEW YORK, NY 10017	Â	Â X	Â	Â
Blackstone Holdings I/II GP Inc C/O THE BLACKSTONE GROUP	Â	Â X	Â	Â

345 PARK AVENUE
NEW YORK, NY 10154

Blackstone Group L.P.
345 PARK AVENUE
NEW YORK, NY 10154

Â Â X Â Â

Signatures

/s/ George Fan, Authorized
Person

01/19/2010

__Signature of Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 5(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).

Pursuant to the purchase transaction (the "Purchase Transaction") entered into by GSO Crosstex Holdings LLC ("GSO Crosstex") and Crosstex Energy, L.P. ("XTEX"), as described in the Series A Convertible Preferred Unit Purchase Agreement (the "Purchase Agreement"), dated as of January 6, 2010, and the related Amendment No.3 to the Sixth Amended and Restated Agreement of Limited Partnership of XTEX (the "LP Agreement"), dated as of January 19, 2010, the Series A Convertible Preferred Units (the "Preferred Units") are convertible on a one-for-one basis into Common Units of XTEX ("Common Unit"). GSO Crosstex will also receive a quarterly distribution, which will be the greater of \$0.2125 per Preferred Unit, or the amount of the quarterly distribution paid to holders of Common Units, subject to certain adjustments. (Continue in footnote 2)

Such quarterly distribution per Common Unit may be paid in cash, in additional Preferred Units issued in kind or any combination thereof, provided that XTEX may not pay distributions in-kind for any quarter in which cash distributions are paid on the Common Units. In addition, GSO Crosstex has the right to appoint a director to the Board of Directors of Crosstex Energy GP, LLC, which is the general partner of the general partner of XTEX.

The Preferred Units are convertible by GSO Crosstex at any time following the closing of the Purchase Transaction, which occurred on January 19, 2010, and by XTEX three years after the closing of the Purchase Transaction, subject to the parties meeting certain conditions.

(4) Not applicable.

GSO Crosstex holds 14,705,882 Preferred Units of XTEX. Blackstone / GSO Capital Solutions Fund LP is the holder of a majority of the membership interests of GSO Crosstex. Blackstone / GSO Capital Solutions Associates LLC is the general partner of Blackstone / GSO Capital Solutions Fund LP. GSO Holdings I LLC is the managing member of Blackstone / GSO Capital Solutions Associates LLC. Blackstone Holdings I L.P. is the sole member of GSO Holdings I LLC. Blackstone Holdings I/II GP Inc. is the general partner of Blackstone Holdings I L.P. The Blackstone Group L.P. is the controlling shareholder of Blackstone Holdings I/II GP Inc. Blackstone Group Management L.L.C. is the general partner of The Blackstone Group L.P. Stephen A. Schwarzman is the founding member of Blackstone Group Management L.L.C. (Continued in footnote 5).

In addition, each of Bennett J. Goodman, J. Albert Smith III and Douglas I. Ostrover, each of whom serves as an executive of GSO Holdings I LLC, which is an affiliate of Blackstone / GSO Capital Solutions Associates LLC, may have shared investment control with respect to the Preferred Units held by GSO Crosstex.

Due to the limitations of the electronic filing system, Blackstone Group Management L.L.C. and Mr. Stephen A. Schwarzman are filing a separate Form 3.

Information with respect to each of the Reporting Persons is given solely by such Reporting Persons, and no Reporting Person has responsibility for the accuracy or completeness of information supplied by another Reporting Person.

Each of the Reporting Persons, other than GSO Crosstex, disclaims beneficial ownership of the securities held by GSO Crosstex, except to the extent of such Reporting Person's pecuniary interest therein, and, pursuant to Rule 16a-1(a)(4) under the Securities Exchange Act of 1934, each of the Reporting Persons, other than GSO Crosstex, states that the inclusion of these securities in this report shall not be deemed an admission of beneficial ownership of all of the reported securities for purposes of Section 16 or for any other purpose.

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Remarks:

Exhibit 99.1 - Joint Filer Information; Exhibit 24.1 - Power of Attorney - Bennett J. Goodman; Exhibit

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Form 1 of 2.

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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