

STAR GAS PARTNERS LP
Form DEFA14A
March 07, 2006

SCHEDULE 14A INFORMATION

**Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box

- Preliminary Proxy Statement
 - Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
 - Definitive Proxy Statement
 - Definitive Additional Materials
 - Soliciting Material Pursuant to §240.14a-12
-

STAR GAS PARTNERS, L.P.

(Name of Registrant as Specified in its Charter)

Not applicable

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box)

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No filing fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

1) Title of each class of securities to which transaction applies:

2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11:

4) Proposed maximum aggregate value of transaction:

5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

6) Amount Previously Paid:

7) Form, Schedule or Registration Statement No.:

8) Filing Party:

9) Date Filed:

March 7, 2006

Dear Star Gas Senior Subordinated (NYSE: SGH) Unitholder:

Our special meeting of unitholders, scheduled for March 17, 2006, is almost a week away. This letter is being sent because we have not yet received your all-important vote on this crucial initiative.

Time is short, so I urge you to cast your vote today by voting via our toll-free telephone number

(800/960-7546) 24 hours a day/7 days a week before it's too late!

If approved, the proposed Kestrel recapitalization would result in, among other things:

Your subordinated units (SGH) being converted into common units (SGU) on a one-to-one basis.

Strengthening Star Gas's balance sheet, helping it meet liquidity and capital requirements in this time of high oil prices, and allowing the Partnership to operate more efficiently with less debt.

Quarterly distributions will commence accruing at a rate of \$0.27 per year, starting in October 2008.

- o Should the proposed recapitalization not be approved, it is unlikely that you and other Star Gas unitholders would receive any distributions in the foreseeable future due to outstanding arrearages owed to Star Gas common unitholders.

Allowing Star Gas to resume making strategic acquisitions of home heating oil distributors to help us maintain and increase our customer base and grow our business.

Resolution of the significant disagreement with our senior noteholders.

Bringing in a new General Partner with extensive heating oil industry experience.

Our Board of Directors continues to recommend that you VOTE IN FAVOR of the Kestrel recapitalization proposals. Approval of these proposals is critical to your investment.

Please bear in mind FAILURE TO VOTE OR ABSTAINING WILL HAVE THE SAME EFFECT AS A VOTE AGAINST THE TRANSACTION!

Your vote is important, no matter how many or how few units you own.

The proxy card that accompanied the original proxy statement will remain valid. If you already returned a validly executed proxy card, your votes will be recorded unless you submit a subsequent proxy or you otherwise revoke your prior proxy.

Once again, thank you for your continued support.

Regards,

Joseph P. Cavanaugh

Chief Executive Officer

PS Should you have any questions or concerns about the vote, feel free to call Georgeson Shareholder, the firm assisting us in this solicitation, toll-free at **800/960-7546** and speak with a representative who should be able to address your inquiry.