

LB I GROUP INC  
Form 4  
June 06, 2006

**FORM 4**

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

OMB APPROVAL

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**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 \*  
**LEHMAN BROTHERS HOLDINGS INC**

2. Issuer Name and Ticker or Trading Symbol  
**PACIFIC ENERGY PARTNERS LP [PPX]**

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

(Last) (First) (Middle)  
**745 SEVENTH AVENUE**  
(Street)

3. Date of Earliest Transaction (Month/Day/Year)  
**05/12/2005**

\_\_\_\_ Director  
\_\_\_\_ Officer (give title below)  Other (specify below)  
See Remark (1).

**NEW YORK, NY 10019**

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

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 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 Security	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative Securities Acquired (A) or Disposed of (D)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Underlying (Instr. 3 and 4)
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(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8) Code	(Instr. 3, 4, and 5) V (A) (D)	Date Exercisable	Expiration Date	Title	
Subordinated Units Representing Limited Partner Interests	(1)	05/12/2005(2)	J(3)		907,826(4)	(5)	(6)	Comm Unit Represent Limit Partne Interes
Subordinated Units Representing Limited Partner Interests	(1)	05/12/2005(2)	J(3)		907,826(4)	(11)	(6)	Comm Unit Represent Limit Partne Interes
Subordinated Units Representing Limited Partner Interests	(1)	05/12/2005(2)	J(3)		1,815,652(4)	(12)	(6)	Comm Unit Represent Limit Partne Interes
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Subordinated Units Representing Limited Partner Interests	(1)	05/12/2005(2)	J(3)		1,815,652(4)	(12)	(6)	Comm Unit Represent Limit Partne Interes

## Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other



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applicable transaction date.

(3) On May 12, 2005, LB I Group Inc. allocated (i) approximately 25.2% of the ownership interest in each of LB Pacific GP, LLC and LB Pacific LP to funds managed by Lehman Brothers Merchant Banking Associates III L.P. and (ii) approximately 8.3% of the ownership interest in each of LB Pacific GP, LLC and LB Pacific LP to a fund managed by Lehman Brothers Private Equity Advisers LLC. The transaction reported is the indirect disposition by LB I Group Inc. and the indirect acquisition by the funds of the Subordinated Units by virtue of the allocations of equity interests in LB Pacific LP and LB Pacific GP, LLC. The number of Subordinated Units shown as disposed of is based on applying the decrease in proportionate interest of LB I Group Inc. in LB Pacific LP, directly and indirectly through LB Pacific GP, LLC, to the number of Subordinated Units held by LP Pacific LP.

(4) As a result of the transaction described in footnote 3, Lehman Brothers Merchant Banking Associates III L.P. and Lehman Brothers Merchant Banking Associates III LLC each may be deemed to have acquired, and LB I Group Inc. and Lehman Brothers Inc. each may be deemed to have disposed of, indirect beneficial ownership of 658,107 Subordinated Units that are convertible on or after June 30, 2005, 658,107 Subordinated Units that are convertible on or after June 30, 2006, and 1,316,215 Subordinated Units that are convertible on or after June 30, 2007; and Lehman Brothers Private Equity Advisers LLC may be deemed to have acquired, and LB I Group Inc. and Lehman Brothers Inc. each may be deemed to have disposed of, indirect beneficial ownership of 217,032 Subordinated Units that are convertible on or after June 30, 2005, 217,032 Subordinated Units that are convertible on or after June 30, 2006, and 434,065 Subordinated Units that are convertible on or after June 30, 2007.

(5) These Subordinated Units are convertible into Common Units of the Issuer immediately after the distribution of available cash to partners in respect of any quarter ending on or after June 30, 2005, assuming certain financial tests in the Issuer's partnership agreement have been satisfied.

(6) None.

(7) The aggregate purchase price paid by the purchasing investment funds managed by Lehman Brothers Merchant Banking Associates III L.P. and Lehman Brothers Private Equity Advisers LLC for the equity interests in LB Pacific, LP and LB Pacific GP, LLC was approximately \$44,963,845 and \$14,828,295, respectively, plus financing costs of \$168,635 and \$56,075, respectively, and an allocation of a portion of the aggregate purchase prices to the Subordinated Unit based on estimates of the relative fair market values of assets results in a price of \$30.15 (or \$30.21 including financing costs) per Subordinated Unit that becomes convertible on or after June 30, 2005, a price of \$28.59 (or \$28.65 including financing costs) per Subordinated Unit that becomes convertible on or after June 30, 2006, and a price of \$27.66 (or \$27.71 including financing costs) per Subordinated Unit that becomes convertible on or after June 30, 2007.

(8) Each of Lehman Brothers Inc. and LB I Group Inc. may be deemed to beneficially own 727,542 of these Subordinated Units; Lehman Brothers Merchant Banking Associates III L.P. and Lehman Brothers Merchant Banking Associates III LLC each may be deemed to beneficially own 884,971 of these Subordinated Units; and Lehman Brothers Private Equity Advisers LLC may be deemed to beneficially own 217,032 of these Subordinated Units; each of which is based on the indirect proportionate interest of such reporting person, following the reported transactions, in such Subordinated Units by virtue of its direct and indirect equity interest in LB Pacific LP.

(9) Lehman Brothers Holdings Inc. may be deemed to have beneficial ownership of the same securities through its 100% equity interest in Lehman Brothers Inc. In addition, Lehman Brothers Holdings Inc. may be deemed to have a beneficial ownership interest in interest in all of these Subordinated Units attributable to its direct and indirect proportionate interest in LB Pacific LP held by investment funds managed by direct and indirect subsidiaries, as to which it disclaims beneficial ownership except to the extent of its pecuniary interest therein.

(10) These Subordinated Units are held by LB Pacific LP. See Remark (1).

(11) These Subordinated Units are convertible into Common Units of the Issuer immediately after the distribution of available cash to partners in respect of any quarter ending on or after June 30, 2006, assuming certain financial tests in the Issuer's partnership agreement have been satisfied.

(12) These Subordinated Units are convertible into Common Units of the Issuer immediately after the distribution of available cash to partners in respect of any quarter ending on or after June 30, 2007, assuming certain financial tests in the Issuer's partnership agreement have been satisfied.

(13) Each of Lehman Brothers Inc. and LB I Group Inc. may be deemed to beneficially own 1,455,085 of these Subordinated Units; Lehman Brothers Merchant Banking Associates III L.P. and Lehman Brothers Merchant Banking Associates III LLC each may be deemed to beneficially own 1,769,942 of these Subordinated Units; and Lehman Brothers Private Equity Advisers LLC may be deemed to beneficially own 434,065 of these Subordinated Units; each of which is based on the indirect proportionate interest of such reporting person, following the reported transactions, in such Subordinated Units by virtue of its direct and indirect equity interest in LB Pacific LP.

### Remarks:

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Remark (1) - This report is filed jointly by Lehman Brothers Holdings Inc., Lehman Brothers Inc., LB I Group Inc., Lehman B

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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