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**UNITED STATES DISTRICT COURT  
 SOUTHERN DISTRICT OF NEW YORK**

<p>_____, Individually and on Behalf  of All Others Similarly Situated,</p>	)	<b>Civil Action No.:</b>
	)	
Plaintiff(s),	)	<b><u>CLASS ACTION</u></b>
	)	
v.	)	<b>CLASS ACTION COMPLAINT  FOR VIOLATIONS OF THE  FEDERAL SECURITIES LAWS</b>
	)	
<p>FERRELLGAS PARTNERS, L.P.,  FERRELLGAS, INC., STEPHEN L.  WAMBOLD, J. RYAN VANWINKLE, and  ALAN C. HEITMANN,</p>	)	<b><u>JURY TRIAL DEMANDED</u></b>
	)	
Defendants.	)	
	)	

Plaintiff \_\_\_\_\_ (“Plaintiff”), individually and on behalf of all other persons similarly situated, by Plaintiff’s undersigned attorneys, for Plaintiff’s complaint against Defendants (defined below), alleges the following based upon personal knowledge as to Plaintiff and Plaintiff’s own acts, and information and belief as to all other matters, based upon, *inter alia*, the investigation conducted by and through Plaintiff’s attorneys, which included, among other things, a review of the defendants’ public documents, conference calls and announcements made by defendants, United States Securities and Exchange Commission (“SEC”) filings, wire and press releases published by and regarding Ferrellgas Partners, L.P.

(“Ferrellgas” or the “Company”), analysts’ reports and advisories about the Company, and information readily obtainable on the Internet. Plaintiff believes that substantial evidentiary support will exist for the allegations set forth herein after a reasonable opportunity for discovery.

### **NATURE OF THE ACTION**

1. This is a federal securities class action on behalf of a class consisting of all persons other than Defendants who purchased or otherwise acquired Ferrellgas securities between December 10, 2014 and September 28, 2016, both dates inclusive (the “Class Period”). Plaintiff seeks to recover compensable damages caused by Defendants’ violations of the federal securities laws and to pursue remedies under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the “Exchange Act”) and Rule 10b-5 promulgated thereunder.

### **JURISDICTION AND VENUE**

2. The claims asserted herein arise under and pursuant to §§10(b) and 20(a) of the Exchange Act (15 U.S.C. §§78j(b) and 78t(a)) and Rule 10b-5 promulgated thereunder by the SEC (17 C.F.R. §240.10b-5).

3. This Court has jurisdiction over the subject matter of this action under 28 U.S.C. §1331 and §27 of the Exchange Act.

4. Venue is proper in this District pursuant to §27 of the Exchange Act (15 U.S.C. §78aa) and 28 U.S.C. §1391(b) as a significant portion of the Defendants’ actions, and the subsequent damages, took place within this District.

5. In connection with the acts, conduct and other wrongs alleged in this Complaint, Defendants, directly or indirectly, used the means and instrumentalities of interstate commerce,

including but not limited to, the United States mail, interstate telephone communications and the facilities of the national securities exchange.

### **PARTIES**

6. Plaintiff, as set forth in the accompanying Certification, purchased Ferrellgas securities at artificially inflated prices during the Class Period and was damaged upon the revelation of the alleged corrective disclosures.

7. Defendant Ferrellgas distributes and sells propane and related equipment and supplies primarily in the United States. The Company transports propane to propane distribution locations, tanks on customers' premises, or to portable propane tanks delivered to retailers. The Company is incorporated in Delaware with principal executive offices located at 7500 College Blvd., Suite 1000, Overland Park, Kansas. The Company's common units trade on the NYSE under the ticker symbol "FGP."

8. Defendant Ferrellgas, Inc. is the general partner of Ferrellgas.

9. Defendant Stephen L. Wambold ("Wambold") served as the Chief Executive Officer ("CEO") of Ferrellgas, Inc. from September 2009 to September 27, 2016 and its President from April 26, 2006 to September 27, 2016.

10. Defendant Alan C. Heitmann ("Heitmann") has been the Chief Financial Officer ("CFO"), Executive Vice President and Treasurer at Ferrellgas, Inc. since January 27, 2015.

11. Defendant J. Ryan VanWinkle ("VanWinkle") served as the CFO, Executive Vice President and Treasurer of Ferrellgas Inc. from March 28, 2008 until his resignation on January 27, 2015.

12. Defendants Wambold, Heitmann, and VanWinkle are sometimes referred to herein as the "Individual Defendants."

13. Each of the Individual Defendants and Ferrellgas, Inc.:
- (a) directly participated in the management of the Company;
  - (b) was directly involved in the day-to-day operations of the Company at the highest levels;
  - (c) was privy to confidential proprietary information concerning the Company and its business and operations;
  - (d) was directly or indirectly involved in drafting, producing, reviewing and/or disseminating the false and misleading statements and information alleged herein;
  - (e) was directly or indirectly involved in the oversight or implementation of the Company's internal controls;
  - (f) was aware of or recklessly disregarded the fact that the false and misleading statements were being issued concerning the Company; and/or
  - (g) approved or ratified these statements in violation of the federal securities laws.

14. Ferrellgas and Ferrellgas, Inc. are liable for the acts of the Individual Defendants and their employees under the doctrine of *respondeat superior* and common law principles of agency because all of the wrongful acts complained of herein were carried out within the scope of their employment.

15. The scienter of the Individual Defendants and other employees and agents of Ferrellgas and Ferrellgas, Inc. are similarly imputed to Ferrellgas and Ferrellgas, Inc. under *respondeat superior* and agency principles.

16. Defendants Ferrellgas, Ferrellgas, Inc., and the Individual Defendants are referred to herein, collectively, as the “Defendants.”

## **SUBSTANTIVE ALLEGATIONS**

### **Materially False and Misleading Statements**

17. On December 10, 2014, Ferrellgas issued a press release announcing its financial results for the first quarter of fiscal year 2015, stating in pertinent part:

#### **Ferrellgas Partners Reports Strong First Quarter; Reaffirms Fiscal 2015 Earnings Guidance**

*December 10, 2014 07:00 ET* | **Source:** Ferrellgas Partners, L.P.

OVERLAND PARK, Kan., Dec. 10, 2014 (GLOBE NEWSWIRE) -- Ferrellgas Partners, L.P. (NYSE:FGP) today reported results for fiscal 2015's first quarter ended October 31, 2014.

Gross profit grew 8% to a record \$154.7 million on improved retail propane margins and contributions from recently acquired midstream operations. Adjusted EBITDA climbed nearly 30% to \$34.4 million reflecting the aforementioned gross profit contributions. These results produced trailing 12-month distributable cash flow coverage to equity investors of 1.18x, providing the partnership \$30 million of excess cash flow to fund organic and acquired growth.

President and Chief Executive Officer Steve Wambold commented, "Fiscal 2015 is off to an excellent start with operations delivering first-quarter results in line with our expectations. November, the start of our second quarter, also looks to be in line with our expectations as seasonably cold temperatures boosted the demand for propane consumption. We remain comfortable with our previous guidance of Adjusted EBITDA in the range of \$300 million to \$320 million for fiscal 2015."

The partnership previously reported record Adjusted EBITDA for fiscal 2014 of \$288.1 million. For the trailing 12 months ended October 31, the partnership produced Adjusted EBITDA of \$296.1 million.

Propane sales for the quarter were 186.1 million gallons compared to 191.0 million gallons sold in the year-earlier quarter. Retail sales volumes nearly matched prior-year levels despite nationwide temperatures that were 20% warmer than normal.

"During the first quarter, we remained focused on operational efficiency and were very pleased with the results," Wambold pointed out. "Both operating expense

and general and administrative expense were practically unchanged at \$102.9 million and \$10.8 million, respectively, despite acquired midstream and retail propane operations in 2014."

Interest expense increased to \$23.9 million from \$22.1 million primarily reflecting debt attributable to merger and acquisition activity.

"Our focus remains on the profitable growth of the partnership, both through acquisition and organic means," Wambold explained. "We have identified a range of possibilities that would further our diversification initiative and we continue to selectively expand our propane footprint. Further, Blue Rhino's sales volumes continue to grow through same-store sales and increased selling locations that now exceed 46,500 nationwide."

18. On the same day, Ferrellgas filed its Quarterly Report with the SEC on Form 10-Q for the fiscal quarter ended October 31, 2014. The Company's Form 10-Q was signed by Defendant VanWinkle, and affirmed the Company's financial results announced in the press release issued the same day.

19. On March 11, 2015, Ferrellgas issued a press release announcing its financial results for the second quarter of fiscal year 2015, stating in pertinent part:

**Ferrellgas Partners Posts Record Second Quarter Adjusted EBITDA, in Spite of Warmer-Than-Normal Temperatures; Reaffirms Guidance for Fiscal 2015 Adjusted EBITDA**

*March 11, 2015 07:00 ET* | **Source:** Ferrellgas Partners, L.P.

OVERLAND PARK, Kan., March 11, 2015 (GLOBE NEWSWIRE) -- Ferrellgas Partners, L.P. (NYSE:FGP) today reported strong results for fiscal 2015's second quarter ended January 31, 2015, despite temperatures being 9% warmer than a year ago and 4% warmer than normal.

For the second year in a row, the company posted record-setting adjusted EBITDA in its second quarter, with this year's figure reaching \$136.9 million. Distributable cash flow (DCF) to equity investors in the quarter was \$110.3 million, producing DCF coverage of 1.16 x. During the last 12 months, the partnership generated \$27 million of excess cash flow to fund organic and acquisitive growth. Net earnings for the second quarter climbed 41% to \$86.4 million, or \$1.02 per common unit, from \$61.1 million, or \$0.76 per common unit primarily due to a loss of \$20.9 million for extinguishment of debt in the prior year period that was not repeated.

"We're quite pleased with our second-quarter results," commented President and Chief Executive Officer Steve Wambold. "Improved propane margins and lower expenses in our retail operations more than offset the negative effects of Mother Nature and the effect lower commodity costs had on our midstream operations. We're seeing the strategic initiatives we've undertaken over the last three years targeting operational discipline and flexibility having their desired effect in our propane operations. We were also buoyed by Blue Rhino's continued positive momentum."

Further, the partnership reiterated its full-year adjusted EBITDA guidance of \$300 million to \$320 million. Driven by widespread cold temperatures in February and early March and ongoing cost discipline, Ferrellgas posted strong February results. "We're off to a strong start to our third quarter," continued Wambold, "and we are optimistic about an extended heating season and its impact on demand."

While retail propane sales, adversely affected by warmer weather, declined to 216 million gallons from 247 million gallons the year before, margins significantly improved as the cost of propane decreased dramatically from prior year.

Blue Rhino's performance exceeded expectations in the second quarter with record volume, up 3% over year-ago levels, and solid same-store gains registered across convenience, drug, grocery and hardware stores.

Operating expense of \$107.1 million was down more than 8% from the year-ago level, benefiting from both the lower cost of fuel and the operational ability to flex our expenses down in warmer periods. General and administrative expense declined 12% to \$10.6 million. Interest expense was up 10% to \$24.4 million, primarily attributable to merger and acquisition activity.

"The acquisition environment remains attractive," Wambold said. "and our pipeline has grown significantly in recent weeks. We remain committed to achieving our diversification strategy through accretive, complementary acquisitions, and we are aggressively but deliberately pursuing some excellent opportunities that fit our model."

For the first half of fiscal 2015, Adjusted EBITDA improved 5% to \$171.3 million. Operating expense declined 4% to \$210 million, while general and administrative expense decreased 6% to \$21.5 million. Net earnings climbed to \$53.2 million, or \$0.63 per unit, from \$36.1 million, or \$0.45 per unit, the year before.

20. On the same day, Ferrellgas filed its Quarterly Report with the SEC on Form 10-Q for the fiscal quarter ended January 31, 2015. The Company's Form 10-Q was signed by

Defendant Heitmann, and affirmed the Company's financial results announced in the press release issued the same day.

21. On June 1, 2015, Ferrellgas issued a press release announcing that it has entered into an agreement to acquire Bridger Logistics, LLC, stating in pertinent part:

**Ferrellgas Partners to Acquire Bridger Logistics; Announces Distribution Increase**

*June 01, 2015 08:00 ET* | **Source:** Ferrellgas Partners, L.P.

OVERLAND PARK, Kan., June 1, 2015 (GLOBE NEWSWIRE) -- Ferrellgas Partners, L.P. (NYSE:FGP) today announced that it has entered into a definitive purchase and sale agreement to acquire Dallas-based Bridger Logistics, LLC, a provider of integrated crude oil midstream services, for a purchase price of approximately \$837.5 million, subject to certain closing adjustments. In conjunction with this transaction, Ferrellgas also announced that its Board of Directors has approved a \$0.0125 increase in its quarterly distribution rate to \$0.5125 per FGP common unit (\$2.05 on an annualized basis), effective following the closing of the transaction.

Founded in 2010, Bridger owns and operates assets across the midstream value chain and can provide end-to-end crude oil logistics, including trucking, terminaling, pipeline, rail, and maritime, from the wellhead to end markets across North America. Bridger has operations in 14 states and virtually all major U.S. crude oil production regions, including the Permian, Bakken, Rockies, Niobrara, Mid-Continent, Gulf Coast, and Eagle Ford.

The move positions Ferrellgas to significantly expand its midstream platform and is expected to be immediately accretive to Ferrellgas and supportive of future distribution growth. The company, which is the nation's second largest propane retailer and the nation's largest provider of propane by portable tank exchange, established a midstream division on May 1, 2014, when it acquired Sable Environmental, LLC.

"We are extremely pleased to welcome Bridger into the Ferrellgas family," **Stephen L. Wambold**, Chief Executive Officer and President of Ferrellgas, said. "It is a remarkable organization with a proven record of developing robust midstream assets and executing long-term growth initiatives. We'll benefit greatly from their collective experience and deep customer relationships as we continue to pursue midstream-focused growth opportunities."

Bridger, which was named Inc. Magazine's "Fastest Growing Energy Company" in 2013, will continue to operate as an independent entity inside of Ferrellgas.

**Julio Rios**, President and Chief Executive Officer of Bridger, will continue to oversee its operations and will report directly to Mr. Wambold. "Today marks another exciting step in Bridger's history," said Rios. "We believe in Ferrellgas' long-term strategic vision, and its collective resources create an opportunity for us to expand Bridger's existing midstream footprint and continue to provide an unmatched level of service to our customers."

With the addition of Bridger, Ferrellgas now offers a comprehensive portfolio of crude-focused midstream assets, diversifying its existing asset base and creating a platform from which to execute its long-term midstream growth initiatives.

"This is a landmark transaction for Ferrellgas and represents a key milestone in our diversification efforts," said **Todd Soiefer**, Ferrellgas' Senior Vice President of Strategic Development. "Bridger's established and growing footprint of crude logistics assets allows us to strategically diversify our existing business and add significant scale to our growing midstream platform."

### **Transaction Overview**

The \$837.5 million purchase price represents an approximately 8.4x multiple of estimated next twelve months Bridger EBITDA of \$100 million. The consideration will consist of approximately \$562.5 million of cash and 11.2 million Ferrellgas common units issued directly to the sellers. Bridger's core executive management team will join Ferrellgas, ensuring a smooth transition and a continued focus on strategic execution. The transaction is expected to close by July 1, 2015 and is subject to customary closing conditions.

22. On June 9, 2015, Ferrellgas issued a press release titled announcing its financial results for the third quarter of fiscal year 2015, stating in pertinent part:

#### **Ferrellgas Partners Reports Third Quarter Results; Reaffirms Guidance for Fiscal 2015 Adjusted EBITDA**

*June 09, 2015 07:00 ET* | **Source:** Ferrellgas Partners, L.P.

OVERLAND PARK, Kan., June 9, 2015 (GLOBE NEWSWIRE) -- Ferrellgas Partners, L.P. (NYSE:FGP) announced today Adjusted EBITDA of \$96.3 million for fiscal 2015's third quarter ended April 30, down 4% from the \$99.8 million in the prior year quarter reflecting temperatures that were 6% warmer than prior year quarter. Distributable Cash Flow (DCF) to equity investors in the quarter was \$70.0 million producing DCF coverage of 1.12x for the trailing twelve month period.

Propane margin cents per gallon benefited from wholesale commodity prices that were 54% lower than the prior year. Operating expense of \$106.9 million was down more than 6% from the year-ago level driven primarily by the company's ability to flex down our variable delivery costs, including personnel and fuel cost, which more than offset additional operating expenses associated with our midstream acquisition in May of 2014. Strong margin cents per gallon and lower operating expenses helped minimize the effect of warmer temperatures in the more highly concentrated geographic areas we serve.

"We are pleased with our third quarter results given the challenges presented by the warmer weather" said President and Chief Executive Officer Stephen L. Wambold. "Strong propane margins, operational flexibility, and a continued focus on expense discipline in our retail operations are continuing to offset the effect of the warmer temperatures, and as such we are comfortable reaffirming our full-year adjusted EBITDA guidance of \$300 million to \$320 million."

Ferrellgas recently announced the acquisition of Bridger Logistics, LLC for \$837.5 million. The Bridger transaction, scheduled to close in our fourth quarter 2015, is expected to be immediately accretive to DCF, supportive of distribution growth, and pushes the company to its near-term diversification goal. In addition to that achievement, Ferrellgas remains dedicated to the aggressive pursuit of accretive, complementary acquisitions in both the traditional propane space and midstream.

"We've made smart business decisions over the last few years and put ourselves in position to move boldly and decisively on the acquisition front," Wambold said. "Our acquisition pipeline is strong and keeps getting stronger, and we remain committed to exploring a wide range of opportunities that fit our model and our culture."

For the first nine months ended April 30 of fiscal 2015, Adjusted EBITDA improved to \$267.6 million, up from \$262.6 million posted in the first nine months of the prior fiscal year. Similar to our quarterly results, strong margin cents per gallon and operating expense declines offset temperatures that were 8% warmer than the fiscal 2014 period. Net earnings were \$89.4 million or \$1.06 per unit for the first nine months of fiscal 2015.

23. On the same day, Ferrellgas filed its Quarterly Report with the SEC on Form 10-Q for the fiscal quarter ended April 30, 2015. The Company's Form 10-Q was signed by Defendant Heitmann, and affirmed the Company's financial results announced in the press release issued the same day.

24. On September 29, 2015, Ferrellgas issued a press release announcing its financial results for fiscal year 2015, stating in pertinent part:

**Ferrellgas Partners, L.P. Reports Record Adjusted EBITDA for Fiscal 2015**

*September 29, 2015 07:00 ET* | **Source:** Ferrellgas Partners, L.P.

OVERLAND PARK, Kan., Sept. 29, 2015 (GLOBE NEWSWIRE) -- Ferrellgas Partners, L.P. (NYSE:FGP) today announced record Adjusted EBITDA of \$300.2 million for fiscal 2015, up 4% from the previous year of \$288.1 million despite temperatures that were 8% warmer than the prior year. Distributable Cash Flow (DCF) to equity investors for the year was \$189.6 million, producing DCF coverage of 1.12x for the 12-month period.

"We are thrilled to present strong results to our investors despite weather that was a hindrance to our core propane business," said President and Chief Executive Officer Stephen L. Wambold. "Strong propane margins, operational flexibility, a continued focus on expense discipline in our retail operations and our focus on our diversification strategy allowed us to offset the effect of the warmer nationwide temperatures Mother Nature handed us throughout the year."

Propane margin cents per gallon benefited from wholesale commodity prices that were 43% lower than the prior year. Operating expense of \$432.3 million was down more than 3% from the year-ago level, driven primarily by the company's ability to flex down variable delivery costs, including personnel and fuel cost, which more than offset additional operating expenses associated with the full-year impact our midstream water solutions acquisition in May of 2014 and the impact of our Bridger Logistics, LLC ("Bridger") acquisition in the fourth quarter.

Strong margin cents per gallon and lower operating expenses helped minimize the effect of warmer temperatures in the more highly concentrated geographic areas we serve. General and administrative expense rose to \$56.4 million from \$46.0 million, primarily attributable to one-time transaction costs associated with the Bridger acquisition of \$16.4 million. Interest expense increased to \$100.4 million from \$86.5 million, reflecting increased borrowings to fund acquisition and growth capital expenditures. Net earnings for the year were \$30.1 million, or \$0.35 per common unit, compared to \$33.7 million, or \$0.41 per common unit.

During the fourth quarter Ferrellgas closed on its previously announced \$822.5 million acquisition of Bridger. The Bridger transaction is a significant step toward Ferrellgas' near-term diversification goals. Ferrellgas remains dedicated to the aggressive pursuit of accretive, complementary acquisitions in both the traditional propane space and midstream.

"Our acquisition of Bridger contributed nearly \$8.6 million of Adjusted EBITDA during the short period of time we've owned these high-quality assets, and we continue to believe Bridger will meet or exceed our expectations in fiscal 2016," Wambold said. "We've made smart business decisions over the last few years and put ourselves in position to move boldly and decisively on the acquisition front. Our midstream and propane acquisition pipelines remain robust, and we remain committed to exploring a wide range of opportunities that fit our strategic model and our growth culture."

25. On the same day, Ferrellgas filed its Annual Report with the SEC on Form 10-K for the fiscal year ended July 31, 2015. The Company's Form 10-K was signed by Defendants Wambold and Heitmann, and affirmed the Company's financial results announced in the press release issued the same day.

26. On December 9, 2015, Ferrellgas issued a press release announcing its financial results for the first quarter of fiscal year 2016, stating in pertinent part:

**Ferrellgas Partners, L.P. Reports Results for First Quarter Fiscal 2016**

*December 09, 2015 06:00 ET* | **Source:** Ferrellgas Partners, L.P.

*Strong Performance From Bridger With Meaningful Progress on Acquisition Integration*

*Ferrellgas Continues Successful Ongoing Transformation Into a Diversified Midstream MLP*

OVERLAND PARK, Kan., Dec. 09, 2015 (GLOBE NEWSWIRE) -- Ferrellgas Partners, L.P. (NYSE:[FGP](#)) today announced Adjusted EBITDA of \$48.9 million for the first quarter of fiscal 2016 ended October 31, up 42% from \$34.4 million in the same quarter of last year, due to strong results from the Bridger acquisition, which the partnership completed in June 2015. Distributable Cash Flow (DCF) to equity investors for the quarter was \$11.2 million, producing DCF coverage of 1.08x for the trailing twelve month period.

President and Chief Executive Officer Stephen L. Wambold commented, "We are excited to report a solid first quarter that represents our first full quarter of combined results following the completed acquisition of Bridger and officially welcoming the organization into the Ferrellgas family. We continue to integrate Bridger, which will serve as a platform for continued midstream growth and diversification. We are also encouraged by the continued solid financial and

operational performance of our Propane segment. While persisting warmer nationwide temperatures during our first fiscal quarter put pressure on our Propane segment's results, our flexibility, focus on maintaining strong margins and commitment to containing retail expenses allowed us to offset the unfavorable operating environment."

Mr. Wambold concluded, "We are more excited than ever about the future of Ferrellgas and the strong pipeline of acquisition and organic development opportunities. With our acquisition of Bridger we have established a firm foundation for a powerful midstream growth platform and we expect to continue developing our already diverse footprint and extensive customer base in high-growth regions over the course of fiscal 2016 and beyond."

Propane margin cents per gallon continued to benefit from lower wholesale commodity prices, and during the first fiscal quarter, prices were 57% lower than those of the same quarter in fiscal 2015. Strong margin cents per gallon and lower operating expenses in the Propane and related equipment sales segment helped minimize the effect of warmer temperatures in the more highly concentrated geographic areas Ferrellgas serves. Temperatures were 31% warmer than normal and 13% warmer than prior year for the first fiscal quarter.

Adjusted EBITDA from the Midstream - Crude Oil Logistics segment was \$24.8 million during the first fiscal quarter, driven exclusively by the Bridger acquisition which exceeded management's expectations for the first full fiscal quarter subsequent to the closing of the acquisition. These results reflect management's focus on expense controls as well as Bridger's strong customer relationships and contractual agreements which helped navigate a volatile commodity price environment. The partnership is on pace to generate \$100 million of adjusted EBITDA in this segment for full-year fiscal 2016.

Operating expense for the first quarter increased to \$115.0 million from \$102.9 million in the first fiscal quarter of 2015, primarily due to the additional operating expenses associated with the Bridger acquisition. General and administrative expense rose to \$12.2 million from \$10.8 million in the fiscal first quarter of 2015, also as a result of the acquisition.

Interest expense increased to \$33.8 million for the first fiscal quarter from \$23.9 million a year ago, reflecting increased borrowings to fund acquisition and growth capital expenditures. The seasonal Net loss for the quarter was \$80.6 million, or \$0.79 per common unit, compared to \$33.2 million, or \$0.40 per common unit in the prior year quarter. The increase in seasonal Net loss is due in part to a one-time, non-cash goodwill write-off related to the partnership's midstream water solutions operations and a one-time loss on trucks held for sale.

Ferrellgas today also reaffirmed its previously provided estimates for full-year fiscal 2016 Adjusted EBITDA of \$400 million to \$420 million based on

continued confidence in the partnership's traditional retail operations and expected strong contributions from Bridger.

27. On the same day, Ferrellgas filed its Quarterly Report with the SEC on Form 10-Q for the fiscal quarter ended October 31, 2015. The Company's Form 10-Q was signed by Defendant Heitmann, and affirmed the Company's financial results announced in the press release issued the same day.

28. On March 10, 2016, Ferrellgas issued a press release titled announcing its financial results for the second quarter of fiscal year 2016, stating in pertinent part:

**Ferrellgas Partners, L.P. Reports Results for Second Quarter Fiscal 2016**

*Year-Over-Year Increase in Adjusted EBITDA Reflects Successful Execution of Diversification Strategy*

*March 10, 2016 07:00 ET* | **Source:** Ferrellgas Partners, L.P.

OVERLAND PARK, Kan., March 10, 2016 (GLOBE NEWSWIRE) -- Ferrellgas Partners, L.P. (NYSE:FGP) today announced Adjusted EBITDA of \$138.3 million for the second quarter of fiscal 2016 ended January 31, 2016, an increase from \$136.9 million in the prior year period.

President and Chief Executive Officer Stephen L. Wambold commented, "Despite this being one of the warmest winters on record, our ongoing midstream diversification efforts allowed us to deliver a year-over-year increase in Adjusted EBITDA. Bridger continues to exceed our expectations and we are carefully controlling costs to help offset the challenging operating environment for our Propane and related equipment sales segment."

Mr. Wambold continued, "Looking ahead to the second half of our fiscal year, we will maintain focus on operations and strategic execution. Additionally, we will continue to consider value-enhancing organic and external growth initiatives to mitigate the impact of continued warm weather and capitalize on opportunities created by low crude oil prices. We have ample financial flexibility to drive growth without accessing the capital markets, and we are confident that we have the pieces in place to create significant value for all Ferrellgas unitholders."

Continued strong expense controls in the Propane and related equipment sales segment helped offset the impact of elevated temperatures, which were 19% warmer than normal and 16% warmer than the prior year period.

Adjusted EBITDA from the Midstream - Crude Oil Logistics segment was \$28.7 million during the second fiscal quarter, which exceeded management's expectations. These results reflect the strength of Bridger's customer relationships amid sustained volatility in commodity pricing, and management's ability to carefully control expenses and drive efficiencies.

Operating expense for the second fiscal quarter increased to \$116.5 million from \$107.1 million in the prior year period, due to incremental operating expenses from Bridger and non-cash items related to the changes in fair value of fuel derivatives and contingent consideration in the current year and prior year, respectively.

Interest expense totaled \$34.7 million for the second fiscal quarter, compared to \$24.4 million a year ago, largely due to \$500 million of notes issued in connection with the Bridger acquisition in June 2015.

Net earnings for the quarter was \$57.8 million, or \$0.58 per common unit, compared to net earnings of \$86.4 million, or \$1.02 per common unit, in the prior year quarter. The decrease in net earnings is due in part to the increase in interest expense discussed above and warm weather, as well as depreciation and amortization expenses related primarily to the Bridger transaction.

Ferrellgas also today announced that, due to sustained warmer temperatures and the current commodity price environment, it is revising its previously announced estimates for full-year fiscal 2016 Adjusted EBITDA to a range of \$360 million to \$375 million. Based on the midpoint of the Company's fiscal 2016 estimates for Adjusted EBITDA, Ferrellgas expects its DCF coverage ratio to increase to above 1.0 by the end of the fiscal year.

29. On the same day, Ferrellgas filed its Quarterly Report with the SEC on Form 10-Q for the fiscal quarter ended January 31, 2016. The Company's Form 10-Q was signed by Defendant Heitmann, and affirmed the Company's financial results announced in the press release issued the same day.

30. On June 8, 2016, Ferrellgas issued a press release announcing its financial results for the third quarter of fiscal year 2016, stating in pertinent part:

**Ferrellgas Partners, L.P. Reports Results for Third Quarter Fiscal 2016**

*June 08, 2016 07:00 ET* | **Source:** Ferrellgas Partners, L.P.

OVERLAND PARK, Kan., June 08, 2016 (GLOBE NEWSWIRE) -- Ferrellgas Partners, L.P. (NYSE:FGP) ("Ferrellgas" or the "Company") today reported

financial results for its third fiscal quarter ended April 30, 2016. The Company reported Net earnings attributable to Ferrellgas Partners, L.P. of \$18.7 million, compared to \$35.8 million for the quarter ended April 30, 2015.

Adjusted EBITDA was \$108.0 million, an increase of 12% over the same quarter last year, including \$25.2 million of Adjusted EBITDA from the Bridger Logistics acquisition which was completed in June of 2015.

“Like many in our industry, we continue to be impacted by the extremely warm temperatures nationwide, and the downturn in the commodities market, including lower crude oil prices and project delays and cancellations,” said Stephen L. Wambold, President and Chief Executive Officer. “We experienced an average of 18% warmer weather than normal during the quarter, which reduced heating needs across all our geographies and significantly drove down propane segment volumes and revenues. Notwithstanding these operating conditions, we are pleased to have delivered a 12% year-over-year increase in Adjusted EBITDA.”

Mr. Wambold continued, “Bridger continues to perform well, providing gross profits and adjusted EBITDA in our third quarter that more than offset decreases in our water solutions and propane segments. Importantly, we remain focused on reducing expenses and continue to evaluate value-enhancing organic and external growth opportunities to drive growth and mitigate the impact of the challenging operating environment. We expect our distributable cash flow coverage to rebound to more than 1.0x by the end of 2016, with leverage dropping below 5.0x. We continue to execute against our strategic plan and remain confident that we have the initiatives in place to create value for all Ferrellgas unitholders.”

Continued strong expense controls in the Propane and related equipment sales segment and strong results from the Midstream Crude Oil segment helped offset the impact of elevated temperatures, which were 18% warmer than normal and 21% warmer than the prior year period.

Even though there were strong expense controls, due to the Bridger Transaction, Operating expense and General and administrative expense for the third fiscal quarter increased to \$115.1 million and \$12.4 million respectively.

Interest expense totaled \$34.4 million for the third fiscal quarter, compared to \$23.5 in the prior year period, primarily due to \$500 million of notes issued in connection with the Bridger acquisition in June 2015.

Net earnings for the quarter were \$18.9 million, or \$0.19 per common unit, compared to net earnings of \$36.2 million, or \$0.43 per common unit, in the prior year period. The decrease in net earnings is primarily related to the impact of warm weather on our propane and related equipment sales segment and the increases in Depreciation and amortization expense and interest expense both primarily related to the acquisition of Bridger.

31. On the same day, Ferrellgas filed its Quarterly Report with the SEC on Form 10-Q for the fiscal quarter ended April 30, 2016. The Company's Form 10-Q was signed by Defendant Heitmann, and affirmed the Company's financial results announced in the press release issued the same day.

32. The statements referenced in ¶¶ 17 – 31 above were materially false and/or misleading because they misrepresented and failed to disclose the following adverse facts pertaining to the Company's business, operational and financial results, which were known to Defendants or recklessly disregarded by them. Specifically, Defendants made false and/or misleading statements and/or failed to disclose that: (1) the Company's propane sales were declining; (2) the Company's midstream logistics business was being negatively impacted by low crude oil prices; (3) as such, the Company's Adjusted EBITDA would fall below the Company's projections; (4) the Company was becoming more and more leveraged; (5) in turn, the Company would need to obtain an amendment under the secured credit facility and accounts receivable securitization facility to increase the maximum leverage ratio to a range of 5.95x to 6.05x; (6) as a result, the Company would likely need to reduce its dividend; and (7) as a result, Defendants' statements about Ferrellgas' business, operations, and prospects, were false and misleading and/or lacked a reasonable basis.

### **The Truth Emerges**

33. On September 28, 2016, Ferrellgas issued a press release titled "Ferrellgas Partners, L.P. Reports Fiscal 2016 Earnings", announcing its financial results for fiscal year 2016, stating in pertinent part:

#### **Ferrellgas Partners, L.P. Reports Fiscal 2016 Earnings**

*September 28, 2016 07:05 ET* | **Source:** Ferrellgas Partners, L.P.

OVERLAND PARK, Kan., Sept. 28, 2016 (GLOBE NEWSWIRE) -- Ferrellgas Partners, L.P. (NYSE:FGP) (“Ferrellgas” or the “Company”) today reported financial results for the full fiscal year ended July 31, 2016.

The Company reported a net loss attributable to Ferrellgas Partners, L.P. of \$665.4 million, compared to net earnings attributable to Ferrellgas Partners, L.P. of \$29.6 million in the full fiscal year 2015. The net loss for the current fiscal year includes a one-time non-cash impairment charge of \$628.8 million in our Midstream operations – Crude oil Logistics segment and a one-time non-cash impairment charge of \$29.3 million in our Other midstream operations – water solutions reporting unit.

The Company also announced Adjusted EBITDA of \$344.7 million for fiscal 2016, an increase of 14.8% from \$300.2 million in the previous year.

Continued strong expense controls in the Propane and related equipment sales segment helped offset the impact of elevated temperatures, which were 19% warmer than normal and 16% warmer than the prior year period. Interest expense totaled \$137.9 million for the full fiscal year in 2016, compared to \$100.4 million in the prior year, primarily due to \$500 million of notes issued in connection with the Bridger acquisition in June 2015.

“As we highlighted last quarter, record temperatures across the nation continue to have an adverse impact on the propane sector of our company and low oil prices have seriously damaged our midstream sector.” said James E. Ferrell, Interim President and Chief Executive Officer. “In particular, unusually warm winters over the past two years drove down propane sales across all our geographies, and low crude oil prices have negatively impacted our midstream logistics business.”

Because of the increase in debt incurred to fund the Bridger acquisition, the recently announced Jamex settlement and the effects of the record warm temperatures in fiscal 2016, our leverage ratio has increased to levels approaching the 5.5x limit provided in our secured credit facility and accounts receivable securitization facility. On September 27, 2016, Ferrellgas obtained an amendment under the secured credit facility and accounts receivable securitization facility pursuant to which the maximum leverage ratio is increased to a range of 5.95x to 6.05x over the next six quarters.

Further, the Company is focused on the reduction of its debt and leverage ratio. One tactic under consideration is a reduction in our quarterly distribution, which will continue to be determined by the board of directors of our general partner on a quarter-by-quarter basis. The distribution for the first quarter of fiscal 2017 has not yet been determined, but our board believes that it is possible that the annual distribution rate may be reduced from \$2.05 to approximately \$1.00 per common unit. Any such reduction, together with any other debt-reducing actions taken

would likely remain in effect until our leverage ratio reaches a level that we deem appropriate for our business.

Mr. Ferrell stated, “In light of the recent developments related to our Jamex settlement, a prolonged downturn in the midstream sector, as well as two full years of erratic weather patterns driving down propane demand, we are taking prudent action at this time to preserve capital and improve the Company’s financial position. We are committed to strengthening our balance sheet by delevering in a meaningful way. We are confident this action will support the long-term interests of our unitholders, employee-owners and other stakeholders, and we look forward to growth in distribution when our leverage ratio and debt return to more reasonable levels.”

34. On this news, shares of Ferrellgas fell \$4.73 per share, or approximately 28%, over two trading days to close at \$11.77 per share on September 29, 2016, damaging investors.

35. As a result of Defendants’ wrongful acts and omissions, and the precipitous decline in the market value of the Company’s securities, Plaintiff and other Class members have suffered significant losses and damages.

#### **PLAINTIFF’S CLASS ACTION ALLEGATIONS**

36. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil Procedure 23(a) and (b)(3) on behalf of a Class, consisting of all those who purchased or otherwise acquired Ferrellgas securities traded on the NYSE during the Class Period (the “Class”); and were damaged upon the revelation of the alleged corrective disclosures. Excluded from the Class are Defendants herein, the officers and directors of the Company, at all relevant times, members of their immediate families and their legal representatives, heirs, successors or assigns and any entity in which Defendants have or had a controlling interest.

37. The members of the Class are so numerous that joinder of all members is impracticable. Throughout the Class Period, Ferrellgas securities were actively traded on the NYSE. While the exact number of Class members is unknown to Plaintiff at this time and can be ascertained only through appropriate discovery, Plaintiff believes that there are hundreds or

thousands of members in the proposed Class. Record owners and other members of the Class may be identified from records maintained by Ferrellgas or its transfer agent and may be notified of the pendency of this action by mail, using the form of notice similar to that customarily used in securities class actions.

38. Plaintiff's claims are typical of the claims of the members of the Class as all members of the Class are similarly affected by Defendants' wrongful conduct in violation of federal law that is complained of herein.

39. Plaintiff will fairly and adequately protect the interests of the members of the Class and has retained counsel competent and experienced in class and securities litigation. Plaintiff has no interests antagonistic to or in conflict with those of the Class.

40. Common questions of law and fact exist as to all members of the Class and predominate over any questions solely affecting individual members of the Class. Among the questions of law and fact common to the Class are:

- whether the federal securities laws were violated by Defendants' acts as alleged herein;
- whether statements made by Defendants to the investing public during the Class Period misrepresented material facts about the financial condition, business, operations, and management of Ferrellgas;
- whether Defendants' public statements to the investing public during the Class Period omitted material facts necessary to make the statements made, in light of the circumstances under which they were made, not misleading;
- whether the Individual Defendants and Ferrellgas Inc. caused Ferrellgas to issue false and misleading SEC filings and public statements during the Class Period;
- whether Defendants acted knowingly or recklessly in issuing false and misleading SEC filings and public statements during the Class Period;
- whether the prices of Ferrellgas securities during the Class Period were artificially inflated because of the Defendants' conduct complained of herein; and

- whether the members of the Class have sustained damages and, if so, what is the proper measure of damages.

41. A class action is superior to all other available methods for the fair and efficient adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the damages suffered by individual Class members may be relatively small, the expense and burden of individual litigation make it impossible for members of the Class to individually redress the wrongs done to them. There will be no difficulty in the management of this action as a class action.

42. Plaintiff will rely, in part, upon the presumption of reliance established by the fraud-on-the-market doctrine in that:

- Defendants made public misrepresentations or failed to disclose material facts during the Class Period;
- the omissions and misrepresentations were material;
- Ferrellgas securities are traded in efficient markets;
- the Company's securities were liquid and traded with moderate to heavy volume during the Class Period;
- the Company traded on the NYSE, and was covered by multiple analysts;
- the misrepresentations and omissions alleged would tend to induce a reasonable investor to misjudge the value of the Company's securities; and
- Plaintiff and members of the Class purchased and/or sold Ferrellgas securities between the time the Defendants failed to disclose or misrepresented material facts and the time the true facts were disclosed, without knowledge of the omitted or misrepresented facts.

43. Based upon the foregoing, Plaintiff and the members of the Class are entitled to a presumption of reliance upon the integrity of the market.

44. Alternatively, Plaintiff and the members of the Class are entitled to the presumption of reliance established by the Supreme Court in *Affiliated Ute Citizens of the State*

of *Utah v. United States*, 406 U.S. 128, 92 S. Ct. 2430 (1972), as Defendants omitted material information in their Class Period statements in violation of a duty to disclose such information, as detailed above.

## COUNT I

### Violation of Section 10(b) of The Exchange Act and Rule 10b-5 Against All Defendants

45. Plaintiff repeats and realleges each and every allegation contained above as if fully set forth herein.

46. This Count is asserted against Ferrellgas, Ferrellgas, Inc., and the Individual Defendants and is based upon Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 promulgated thereunder by the SEC.

47. During the Class Period, Ferrellgas, Ferrellgas, Inc., and the Individual Defendants, individually and in concert, directly or indirectly, disseminated or approved the false statements specified above, which they knew or deliberately disregarded were misleading in that they contained misrepresentations and failed to disclose material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

48. Ferrellgas, Ferrellgas, Inc., and the Individual Defendants violated §10(b) of the 1934 Act and Rule 10b-5 in that they:

- employed devices, schemes and artifices to defraud;
- made untrue statements of material facts or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or
- engaged in acts, practices and a course of business that operated as a fraud or deceit upon plaintiff and others similarly situated in connection with their purchases of Ferrellgas securities during the Class Period.

49. Ferrellgas, Ferrellgas, Inc., and the Individual Defendants acted with scienter in that they knew that the public documents and statements issued or disseminated in the name of Ferrellgas were materially false and misleading; knew that such statements or documents would be issued or disseminated to the investing public; and knowingly and substantially participated, or acquiesced in the issuance or dissemination of such statements or documents as primary violations of the securities laws. These defendants by virtue of their receipt of information reflecting the true facts of Ferrellgas, their control over, and/or receipt and/or modification of Ferrellgas' allegedly materially misleading statements, and/or their associations with the Company which made them privy to confidential proprietary information concerning Ferrellgas, participated in the fraudulent scheme alleged herein.

50. Individual Defendants, who are the senior officers and/or directors of the Company, and Ferrellgas, Inc., the general partner of Ferrellgas, had actual knowledge of the material omissions and/or the falsity of the material statements set forth above, and intended to deceive Plaintiff and the other members of the Class, or, in the alternative, acted with reckless disregard for the truth when they failed to ascertain and disclose the true facts in the statements made by them or other Ferrellgas and/or Ferrellgas, Inc. personnel to members of the investing public, including Plaintiff and the Class.

51. As a result of the foregoing, the market price of Ferrellgas securities was artificially inflated during the Class Period. In ignorance of the falsity of Ferrellgas', Ferrellgas, Inc.'s, and the Individual Defendants' statements, Plaintiff and the other members of the Class relied on the statements described above and/or the integrity of the market price of Ferrellgas securities during the Class Period in purchasing Ferrellgas securities at prices that were

artificially inflated as a result of Ferrellgas', Ferrellgas, Inc.'s, and the Individual Defendants' false and misleading statements.

52. Had Plaintiff and the other members of the Class been aware that the market price of Ferrellgas securities had been artificially and falsely inflated by Ferrellgas', Ferrellgas, Inc.'s, and the Individual Defendants' misleading statements and by the material adverse information which Ferrellgas, Ferrellgas, Inc., and the Individual Defendants did not disclose, they would not have purchased Ferrellgas' securities at the artificially inflated prices that they did, or at all.

53. As a result of the wrongful conduct alleged herein, Plaintiff and other members of the Class have suffered damages in an amount to be established at trial.

54. By reason of the foregoing, Ferrellgas, Ferrellgas, Inc., and the Individual Defendants have violated Section 10(b) of the 1934 Act and Rule 10b-5 promulgated thereunder and are liable to the plaintiff and the other members of the Class for substantial damages which they suffered in connection with their purchases of Ferrellgas securities during the Class Period.

## **COUNT II**

### **Violation of Section 20(a) of The Exchange Act Against The Individual Defendants and Ferrellgas, Inc.**

55. Plaintiff repeats and realleges each and every allegation contained in the foregoing paragraphs as if fully set forth herein.

56. During the Class Period, the Individual Defendants and Ferrellgas, Inc. participated in the operation and management of Ferrellgas, and conducted and participated, directly and indirectly, in the conduct of Ferrellgas' business affairs. Because of their senior positions, and status as general partner of Ferrellgas, they knew the adverse non-public information regarding Ferrellgas' business practices.

57. As officers and/or directors of a publicly owned company, and as a general partner of a publicly owned company, the Individual Defendants and Ferrellgas, Inc. had a duty to disseminate accurate and truthful information with respect to Ferrellgas' financial condition and results of operations, and to correct promptly any public statements issued by Ferrellgas which had become materially false or misleading.

58. Because of their positions of control and authority as senior officers and as a general partner of a publicly owned company, the Individual Defendants and Ferrellgas, Inc. were able to, and did, control the contents of the various reports, press releases and public filings which Ferrellgas disseminated in the marketplace during the Class Period. Throughout the Class Period, the Individual Defendants and Ferrellgas, Inc. exercised their power and authority to cause Ferrellgas to engage in the wrongful acts complained of herein. The Individual Defendants and Ferrellgas, Inc. therefore, were "controlling persons" of Ferrellgas within the meaning of Section 20(a) of the Exchange Act. In this capacity, they participated in the unlawful conduct alleged which artificially inflated the market price of Ferrellgas securities.

59. Each of the Individual Defendants and Ferrellgas, Inc., therefore, acted as a controlling person of Ferrellgas. By reason of their senior management positions and/or being directors of Ferrellgas, and by reason of being a general partner of Ferrellgas, each of the Individual Defendants and Ferrellgas, Inc. had the power to direct the actions of, and exercised the same to cause, Ferrellgas to engage in the unlawful acts and conduct complained of herein. Each of the Individual Defendants, and Ferrellgas, Inc., exercised control over the general operations of Ferrellgas and possessed the power to control the specific activities which comprise the primary violations about which Plaintiff and the other members of the Class complain.

60. By reason of the above conduct, the Individual Defendants and Ferrellgas, Inc. are liable pursuant to Section 20(a) of the Exchange Act for the violations committed by Ferrellgas.

**PRAYER FOR RELIEF**

WHEREFORE, Plaintiff demands judgment against Defendants as follows:

- A. Determining that the instant action may be maintained as a class action under Rule 23 of the Federal Rules of Civil Procedure, and certifying Plaintiff as the Class representative;
- B. Requiring Defendants to pay damages sustained by Plaintiff and the Class by reason of the acts and transactions alleged herein;
- C. Awarding Plaintiff and the other members of the Class prejudgment and post-judgment interest, as well as their reasonable attorneys' fees, expert fees and other costs; and
- D. Awarding such other and further relief as this Court may deem just and proper.

**DEMAND FOR TRIAL BY JURY**

Plaintiff hereby demands a trial by jury.

Dated: December 1, 2016

Respectfully submitted,

**THE ROSEN LAW FIRM, P.A.**

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