

MSD Partners, L.P.  
Form 4  
January 26, 2018

**FORM 4**

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

Check this box  
if no longer  
subject to  
Section 16.  
Form 4 or  
Form 5  
obligations  
may continue.  
See Instruction  
1(b).

**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

## OMB APPROVAL

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(Print or Type Responses)

1. Name and Address of Reporting Person \*  
MSD Partners, L.P.

2. Issuer Name **and** Ticker or Trading  
Symbol  
Blueknight Energy Partners, L.P.  
[BKEP]

5. Relationship of Reporting Person(s) to  
Issuer

(Check all applicable)

(Last) (First) (Middle)  
645 FIFTH AVENUE, 21ST FLOOR  
(Street)

3. Date of Earliest Transaction  
(Month/Day/Year)  
01/24/2018

\_\_\_\_ Director \_\_\_\_X\_\_\_\_ 10% Owner  
\_\_\_\_ Officer (give title below) \_\_\_\_ Other (specify below)

NEW YORK, NY 10022

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

6. Individual or Joint/Group Filing(Check  
Applicable Line)  
\_\_\_\_ Form filed by One Reporting Person  
\_X\_ 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 Indirect Beneficial Ownership (Instr. 4) |                       |
|---------------------------------|--------------------------------------|--|--------------------------------|---|-----------|---|--|---|-----------------------|
|                                 |                                      |  | Code                           | V   | Amount    | (A) or (D) Price  |  |   |                       |
| Common Units                    | 01/24/2018                           |  | X/K                            |   | 519,125   | A \$ 5.45   | 3,313,951  | I   | See footnotes (1) (2) |
| Common Units                    | 01/24/2018                           |  | S                              |   | 2,794,826 | D \$ 5.17   | 519,125  | I   | See footnotes (1) (2) |
| Common Units                    | 01/24/2018                           |  | S                              |   | 279,125   | D \$ 5.18   | 240,000  | I   | See footnotes (1) (2) |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(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 (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | 8. Price of Derivative Security (Instr. 5) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|
| Total Return Equity Swap                   | (3) (4)  | 01/24/2018                           |  | X/K                            | 1   | (3)(4) (3)(4)  | Common Units  | (3)  |

## Reporting Owners

| Reporting Owner Name / Address  | Relationships |           |         |       |
|---|---------------|-----------|---------|-------|
|   | Director      | 10% Owner | Officer | Other |
| MSD Partners, L.P.<br>645 FIFTH AVENUE, 21ST FLOOR<br>NEW YORK, NY 10022            |               | X         |         |       |
| MSD Torchlight Partners, L.P.<br>645 FIFTH AVENUE, 21ST FLOOR<br>NEW YORK, NY 10022 |               | X         |         |       |

## Signatures

MSD Partners, L.P. By: MSD Partners (GP), LLC Its: General Partner By: /s/ Marc R. Lisker  
Name: Marc R. Lisker Title: Manager

01/26/2018

\_\_Signature of Reporting Person

Date

MSD Torchlight Partners, L.P. By: MSD PARTNERS, L.P. Its: Investment Manager By:  
MSD Partners (GP), LLC Its: General Partner By: /s/ Marc R. Lisker Name: Marc R. Lisker  
Title: Manager

01/26/2018

\_\_Signature of Reporting Person

Date

## Explanation of Responses:

\* If the form is filed by more than one reporting person, *see* Instruction 4(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).

This statement is jointly filed by and on behalf of each of MSD Partners, L.P. ("MSD Partners") and MSD Torchlight Partners, L.P. ("MSD Torchlight"). MSD Torchlight is the record and direct beneficial owner of the securities covered by this statement. MSD Partners is the investment manager of, and may be deemed to beneficially own securities owned by, MSD Torchlight. MSD Partners (GP), LLC

- (1) ("MSD GP") is the general partner of, and may be deemed to beneficially own securities owned by, MSD Partners. Each of Glenn R. Fuhrman, John C. Phelan and Marc R. Lisker is a manager of MSD GP and may be deemed to have or share voting and/or dispositive power over the securities beneficially owned by MSD GP. Each of Messrs. Fuhrman, Phelan and Lisker disclaims beneficial ownership of such securities except to the extent of any pecuniary interest therein.

Each reporting person and each of Messrs. Fuhrman, Phelan and Lisker may be deemed to be a member of a group with respect to the issuer or securities of the issuer for purposes of Section 13(d) or 13(g) of the Securities Exchange Act of 1934, as amended (the "Act").

- (2) Each reporting person and each of Messrs. Fuhrman, Phelan and Lisker declares that neither the filing of this statement nor anything herein shall be construed as an admission that such person is, for the purposes of Section 13(d) or 13(g) of the Act or any other purpose, a member of a group with respect to the issuer or securities of the issuer.

On August 21, 2008, MSD Torchlight entered into a total return equity swap ("Total Return Swap") with Citibank, NA New York ("Citibank") with a reference price of \$8.8167. Under the terms of the Total Return Swap (i) MSD Torchlight is obligated to pay to

- (3) Citibank any negative price performance of the 519,125 Common Units subject to the Total Return Swap as of the expiration or closing date of the Total Return Swap, plus interest, and (ii) Citibank is obligated to pay to MSD Torchlight any positive price performance of the 519,125 Common Units subject to the Total Return Swap as of the expiration date of such Total Return Swap. Any dividends that would be payable on the 519,125 Common Units during the term of the Total Return Swap will be paid to MSD Torchlight.

- (4) The Total Return Swap had an expiration date of August 20, 2018, although MSD Torchlight had the right to terminate and close out the Total Return Swap early. The Total Return Swap was settled on January 24, 2018.

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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