

StealthGas Inc.
Form SC 13D
February 05, 2018
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

SCHEDULE 13D

Under the Securities Exchange Act of 1934
(Amendment No.)*

STEALTHGAS INC.
(Name of Issuer)

Common Stock, par value \$0.01 per share
(Title of Class of Securities)

Y81669 10 6
(CUSIP Number)

Harry N. Vafias
c/o StealthGas Inc.
331 Kifissias Avenue
Erithrea 14561
Athens, Greece
011 30210 625 0001
(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

With Copies To:

Finn Murphy, Esq.
Morgan, Lewis & Bockius LLP
101 Park Avenue
New York, New York 10178
(212) 309-6000

January 29, 2018
(Date of Event Which Requires Filing of This Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§ 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box .

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See § 240.13d-7 for other parties to whom copies are to be sent.

*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be “filed” for the purpose of Section 18 of the Securities Exchange Act of 1934 (“Act”) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

(Continued on following pages)

1 NAME OF REPORTING PERSONS

Flawless Management Inc.

2 CHECK THE APPROPRIATE BOX (a)
IF A MEMBER OF A GROUP (see (b)
instructions)

3 SEC USE ONLY

4 SOURCE OF FUNDS (see
instructions)

OO

5 CHECK BOX IF DISCLOSURE OF
LEGAL PROCEEDINGS IS
REQUIRED PURSUANT
TO ITEM 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF
ORGANIZATION

Republic of the Marshall Islands

7 SOLE VOTING POWER

6,073,095

8 NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

0

9 SOLE DISPOSITIVE POWER

6,073,095

10 SHARED DISPOSITIVE POWER

0

11 AGGREGATE AMOUNT
BENEFICIALLY OWNED BY
EACH REPORTING PERSON

6,073,095

12 CHECK IF THE AGGREGATE
AMOUNT IN ROW (11)
EXCLUDES
CERTAIN SHARES (see
instructions)

13 PERCENT OF CLASS
REPRESENTED BY AMOUNT IN
ROW 11

15.2%

14 TYPE OF REPORTING PERSON
(see instructions)

OO

1 NAME OF REPORTING PERSONS

Harry N. Vafias

2 CHECK THE APPROPRIATE BOX (a)
IF A MEMBER OF A GROUP (see (b)
instructions)

3 SEC USE ONLY

4 SOURCE OF FUNDS (see
instructions)

Not applicable

5 CHECK BOX IF DISCLOSURE OF
LEGAL PROCEEDINGS IS
REQUIRED PURSUANT
TO ITEM 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF
ORGANIZATION

GREECE

7 SOLE VOTING POWER

6,491,189

8 NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

0

9 SOLE DISPOSITIVE POWER

6,491,189

10 SHARED DISPOSITIVE POWER

0

11 AGGREGATE AMOUNT
BENEFICIALLY OWNED BY
EACH REPORTING PERSON

6,491,189

12 CHECK IF THE AGGREGATE
AMOUNT IN ROW (11)
EXCLUDES
CERTAIN SHARES (see
instructions)

13 PERCENT OF CLASS
REPRESENTED BY AMOUNT IN
ROW 11

16.3%

14 TYPE OF REPORTING PERSON
(see instructions)

IN

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Item 1. Security and Issuer

This Schedule 13D relates to the common stock, par value \$0.01 per share (“Common Stock”), of StealthGas Inc., a Marshall Islands corporation (the “Company”). The principal executive office of the Company is located at 331 Kifissias Avenue, Erithrea 14561, Athens, Greece. Information given in response to each item below shall be deemed incorporated by reference in all other items below.

Item 2. Identity and Background

(a)-(c), (f) This Schedule 13D is being filed pursuant to a Joint Filing Agreement (attached as Exhibit 1 and incorporated herein by reference) by and between Flawless Management Inc., a Republic of the Marshall Islands corporation (“Flawless”), and Harry N. Vafias in his personal capacity (sometimes collectively referred to as the “Reporting Persons”). The principal business of Flawless is investing in securities. The business address of each of the Reporting Persons is c/o StealthGas Inc., 331 Kifissias Avenue, Erithrea 14561, Athens, Greece. The sole officer and director of Flawless is Harry N. Vafias who is the Director, President, Secretary and Treasurer of Flawless. Harry N. Vafias is an individual of Greek citizenship who is the Chief Executive Officer, President and Chief Financial Officer of the Company.

(d) During the last five years, no Reporting Person has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).

(e) During the last five years, no Reporting Person was a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

Item 3. Source and Amount of Funds or Other Consideration

Flawless, which is wholly-owned by Mr. Vafias and was formed to hold his investment in the Company, acquired 4,000,000 (as adjusted for the 60,000-for-1 stock split effected on August 26, 2005) of the 6,491,189 shares of Common Stock beneficially owned by Mr. Vafias in 2004 in exchange for the contribution to the Company of assets in connection with the formation of the Company and preparation for the Company’s initial public offering, which was consummated on October 6, 2005. Mr. Vafias acquired an aggregate of 418,094 shares of Common Stock through grants of restricted stock awards in 2007, 2012 and 2014, which subsequently vested.

From January 29 to 30, 2018, an aggregate of 2,073,095 shares of Common Stock were transferred to Flawless without consideration from entities affiliated with other members of the Vafias family, including Mr. Vafias’s father.

Item 4. Purpose of Transaction.

See the response to Item 3, which is incorporated by reference herein. Neither Flawless nor Mr. Harry N. Vafias has any plans or proposals with respect to any material change in the Company’s business or corporate structure or, generally, any other action referred to in

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instructions (a) through (j) of Item 4 of the form of Schedule 13D.

Item 5. **Interest in Securities of the Issuer**

(a) As of the date of this filing, the Reporting Persons' beneficial ownership of the Common Stock is as follows:

| <u>Name</u> | <u>Sole Voting and Dispositive Power</u> | <u>Shared Voting and Dispositive Power</u> | <u>Percentage</u> |
|--------------------------|--|--|-------------------|
| Flawless Management Inc. | 6,073,095 | ---- | 15.2% |
| Harry N. Vafias | 6,491,189 | ---- | 16.3% |

(b) Number of shares of Common Stock beneficially owned as to which the Reporting Persons have:

(i) sole power to vote or direct the vote:

| Name | Number of Shares |
|--------------------------|------------------|
| Flawless Management Inc. | 6,073,095 |
| Harry N. Vafias | 6,491,189 |

(ii) sole power to dispose or direct the disposition of:

| Name | Number of Shares |
|--------------------------|------------------|
| Flawless Management Inc. | 6,073,095 |
| Harry N. Vafias | 6,491,189 |

(c) No other transactions in the Company's Common Stock by the Reporting Persons were effected in the past 60 days.

(d) No other person is known to have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, the Common Stock beneficially owned by the Reporting Persons.

(e) Not applicable.

Item 6. **Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer**

Except for the relationships described above and in the responses to Items 4 and 5 herein, none of the Reporting Persons, nor, to the best of their knowledge, any persons listed on Schedule A hereto has any contracts, arrangements, understandings or relationships (legal or otherwise) with any person, with respect to any securities of the Company.

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Item 7. Material to be Filed as Exhibits

Exhibit 1: Joint Filing Agreement, dated February 5, 2018, among Flawless Management Inc. and Harry N. Vafias.

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SIGNATURE

After reasonable inquiry and to the best of the knowledge and belief of each of the undersigned, each of the undersigned certifies that the information set forth in this statement is true, complete and correct.

Dated: February 5, 2018

FLAWLESS MANAGEMENT
INC.

By: /s/ Harry N. Vafias
Harry N. Vafias
President

/s/ Harry N. Vafias
Harry N. Vafias

EXHIBIT INDEX

The following is filed as an Exhibit to this Schedule 13D:

Exhibit 1: Joint Filing Agreement, dated February 5, 2018, between Flawless Management Inc. and Harry N. Vafias.